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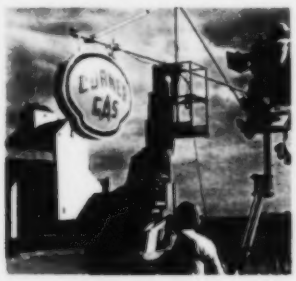
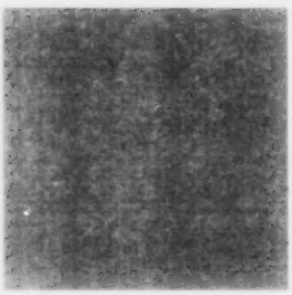
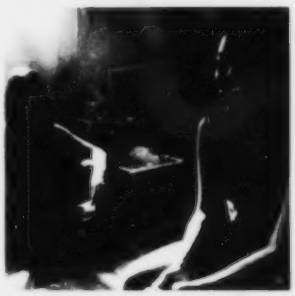
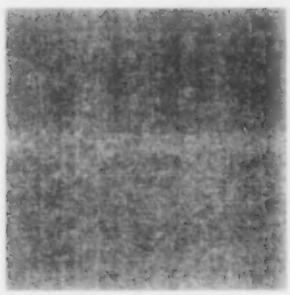
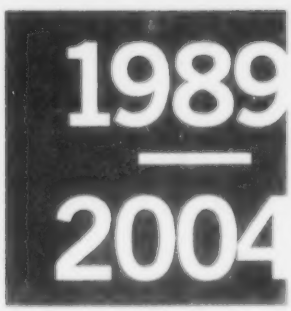
A review of the Provincial Government's Role in the Saskatchewan Film and Video Industry:







Saskatchewan Culture, Youth and Recreation

Saskatchewan Centennial 2005

Prepared by: Cultural Policy Unit
Saskatchewan Culture, Youth and Recreation January 2005

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15 Years Making Pictures:
A Review of the Provincial Government's Role in the Saskatchewan Film and Video Industry
1989 – 2004

Prepared by
Cultural Policy Unit
Saskatchewan Culture, Youth and Recreation
January 2005

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The report Economic Impact of the Saskatchewan Film and Video Industry, May 2004, was conducted by Derek Murray Consulting Associates as part of the review process.

Cover Photo: On location *Corner Gas*, Roleau, Saskatchewan
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1.0 Executive Summary

The Government of Saskatchewan investment in the film industry is an attractive option for economic and cultural development. Since the production of the first major feature film, *Who Has Seen the Wind*, during the 1970s, the capacity and success of the indigenous industry has grown considerably. The past 15 years has seen a steady increase in provincial involvement with the introduction of increased funding and incentives for the film industry.

The extent of provincial investment relates directly to industry growth.

Genie Award winning feature film Falling Angels Katharine Isabelle (as Lou) and Saskatoon's Monte Gagne (as Norma).

The province of Saskatchewan invests approximately $10M per year to support the provincial film and television industry. This includes direct support to production through the tax credit, SaskFILM and SCN, as well as other incentives. With the support of the provincial government, film production volume in Saskatchewan increased from just over $5M in 1990 to nearly $50M in 2003.

After years of intentional development the Saskatchewan film industry has come of age.

In the last six years, the total film industry averaged $45.5M per year in production activity and contributed an average of $46.9M in economic impact, creating 798 Saskatchewan jobs. There are now at least 65 producers and production companies active in the province; three media arts access centers, and a growing array of media education opportunities. Saskatchewan now has the means to tell stories that reflect the unique character and perspectives of our people.

In total the tax credit program and SCN combined have supported 250 projects, contributing hundreds of hours of film and video programming seen in Saskatchewan and around the globe. The province has achieved critical recognition for Saskatchewan made productions, including a prestigious Emmy Award for the documentary *13 Seconds – The Kent State Shootings* (Partners in Motion), and two Genie awards for the feature film *Falling Angels* (Minds Eye Pictures). The television comedy series *Corner Gas* (Vérité Films) attracts over one million viewers in Canada each week and is one of three Saskatchewan dramatic television series renewed for a second season.

The Regina Regional Economic Development Authority (RREDA) identified the film and multimedia sector as one of its key economic clusters for its strategic planning. The potential of film and television to the tourism industry is gaining interest as images of Saskatchewan reach audiences worldwide. There are now 10,000 high school students enrolled in media studies programs in the province and four institutions offer media programs at the post-secondary level.

1.1 THE ROLE OF PROVINCIAL SUPPORT FOR THE INDUSTRY

Public interest in the province's film investments resulted from several factors. A downturn in the international film industry slowed growth in the province. Increased competition from other jurisdictions, the well-publicized financial troubles of Minds Eye Pictures and the province's role in creating the Canada-Saskatchewan Production Studios all attracted the public eye.

The Saskatchewan Film Employment Tax Credit (SFETC) is the main vehicle for investing in industry growth. The number of productions, supported by the SFETC, varies from year to year, creating difficulty in planning for the costs of the program. As a result, government required a better understanding of the net cost to the province, as well as consideration of options to contain the costs of

the program.

The extent and intentions of provincial investment in the industry have raised questions in the last few years about the appropriate role of government in supporting the industry. These issues must be addressed through a re-examination of the provincial interest in the film industry.

PURPOSE OF THE REVIEW

The government called for a review of the Saskatchewan film and video industry to inform a revised industry strategy. The Department of Culture, Youth and Recreation conducted the review, in partnership with Finance, Industry and Resources, Investment Saskatchewan, Saskatchewan Communications Network, and Learning.

The findings from this report will offer information and advice to develop government policy and investment strategies with respect to the film and video industry.

The purpose of the review is to evaluate all current incentives for the Saskatchewan film and video industry for effectiveness and competitiveness. Based on the results of that review, government will develop a revised strategy for its role with respect to the film and video industry.

Considerations in undertaking the review include:

- The economic and cultural impact of the industry in Saskatchewan
- Current issues and challenges faced by the industry
- The level of investment required to sustain the industry
- Effectiveness of administrative support and existing programs

The review will examine the main investments made in the film and video industry by the Province of Saskatchewan – these are:

- Film Employment Tax Credit (SFETC)
- SaskFILM
- Investment Saskatchewan investments in film production companies
- Canada-Saskatchewan Production Studios (CSPS)
- Job Start/Future Skills and Crew Call/WEPA
- Saskatchewan Arts Board support to media arts production
- Lottery system support to film, video and media arts organizations
- Saskatchewan Communications Network role in Saskatchewan production
- Educational institutions involved in media studies and production training

1.2 KEY FINDINGS

The partnership of industry and government in the Saskatchewan film and video industry has grown and is making positive economic contributions to the province with minimal net cost to the provincial treasury.

- Since 1998, the total economic impact of film production in Saskatchewan has been on average $46.9M per year, generating 798 full-time equivalent jobs. Of these jobs, 651 resulted from tax credit supported production activity.

- On average, the net cost to government of the SFETC, balanced against the tax revenues generated by the program (through income and goods and services taxes collected), is minimal, given the many direct and indirect economic benefits to the province. Based on SFETC participating productions alone, the net cost to government over the six years of the SFETC program has been

$2.77M or an average net cost of $0.46M per year.

Film production makes a significant cultural contribution to the province through the creation of cultural products reflecting the identity, diversity and perspectives of Saskatchewan people and in providing opportunities for expression and development of skilled cultural workers in the province.

- Saskatchewan productions are making a greater impression with audiences than they have in the past. There are more Saskatchewan films and television programs being made and the number of broadcast hours for Saskatchewan programs is increasing in the province, in Canada and internationally.

- In 1997, there were 33 active producers and production companies in Saskatchewan. Since then that number has increased to 65. According to labour organization job estimates, the number of unionized employees in the industry has gone from 207 in 1997 to 1,078 in 2003.

The production industry has and continues to make good use of the Canada-Saskatchewan Production Studios and as a long-term investment was necessary to make Saskatchewan a viable production centre.

- The production facility opened in the fall of 2002 after the peak production season and had a slow start. The facility was well used in the 2003 production season and SaskFILM reports that the facility is now fully booked between May and October 2004.

Economic returns relate directly to local production capacity.

- On average, the industry spends 63% of total production budgets in the province. However, when there is more production volume than local capacity to support that level of production, there is more need to import labour, goods and services. This means that in years of higher production volumes, the percentage of Saskatchewan spending declines.

The industry is an employer of young people.

- IATSE 295 (representing film crew technicians and craftspeople) reports that of the 53 new members since 1998, 24 were under 30 years old at initiation and the average age on initiation is 33 years. The average age of current film members is 37.7 years. Saskatchewan ACTRA (representing film actors) reports having a large youth component, with increases in recent years due to youth oriented programs such as *Moccasin Flats* and *renegadepress.com*. Approximately 25% of ACTRA members are under 25 years and the average age of all Saskatchewan ACTRA members is approximately 35 years.

Fluctuations in production volume are inevitable.

- Peaks in production volume occur with one or more large production in one season. Core activity has averaged around $25M per year plus an average of $14M in large productions that vary greatly from year to year. The design and budgeting of film incentives need to recognize that fluctuations are inevitable.

Growth is creating financing challenges for Saskatchewan production companies.

- The lack of equity financing and advance tax credit options within the SFETC creates challenges for financial management of Saskatchewan productions. Manitoba offers significant equity financing while Nova Scotia supports the industry through its Equity Investment Program.

- The film industry demands a high level of business skills, especially in areas of financial management and marketing. While some established producers may not require business skills training, most would benefit from increased business skills. Younger producers and emerging companies would especially benefit from this service.

The skilled labour force in the sector has grown, however, the sector lacks a comprehensive human resource development plan and coordination of training activities.

- There is overlap of roles and inefficiencies in the coordination of training programs. This includes administration of the SFETC deeming provision, Job Start/Future Skills, industry based training, and Crew Call. As a result, the provincial investments in training programs have not been as effective as they might have been. It is also very difficult to assess the effectiveness of these programs due to the lack of reliable data.

1.3 CONCLUDING OBSERVATIONS

The film industry is not viable without government investment.

- Virtually every jurisdiction in Canada provides financial incentives for film production. The size and scale of these incentives varies on two dimensions: a) the priority that the jurisdiction places on film activity; and b) the competitive environment for film production within the jurisdiction.

In time, reliable net returns to government from the film industry are entirely possible.

- If industry growth projections hold true and there is an incremental growth of $5M per year in production volume, the core production capacity in Saskatchewan will grow as well. Growth of Saskatchewan's production capacity will lead to Saskatchewan capturing a higher percentage of the economic impacts of production activity in Saskatchewan.

Saskatchewan production companies will continue to face challenges in financing if the status quo is preserved.

- Without exploration of alternative financing options, Saskatchewan production companies will continue to face challenges in financing. The industry has proposed options to mitigate the risks of locating their productions in Saskatchewan including an advance or interim payment on tax credits.

The industry requires a comprehensive human resources development and training strategy to meet the increasing demands for skilled labour in the sector.

- The seasonal and fluctuating nature of the industry creates challenges in training and retaining a strong crew base. Due to the complexity of the industry, a coordinated approach to training is required. Better data collection would determine whether film-training programs are effective. Securing long term, consistent employment for residents of the province will provide increased returns on investment through the SFETC. When the Saskatchewan labour supply meets the demand, there will be less need to deem out of province labour. This will increase returns to the province through income tax contributions.

The Department of Culture, Youth and Recreation (CYR) is in the best position to be the lead department for the cultural industries, including the film industry.

- As a cultural industry the film industry has both creative and business components, however, the cultural aspects make the industry unique from other sectors and provide rationale for public investment.

1.4 OPTIONS FOR CONSIDERATION

Options to Clarify Policy Direction

- Focus on economic impact including jobs, contribution to GDP, and positive impact on the provincial treasury.
- Focus on cultural impact including: greater identifiable Saskatchewan content, Saskatchewan stories, as well as efforts to create audiences who access this cultural content. Included in this strategy would be the film industry's unique ability to address issues of social inclusion and respond to such issues as youth at risk and the participation of First Nations and Métis people.
- Focus on guaranteeing industry contribution to the vibrancy and attractiveness of Saskatchewan as a place to live and do business, including attracting high profile international projects and talent.
- Focus on the development, growth and sustainability of the indigenous industry and local production capacity.
- Seek a strategic balance among two or more of the above interests.

Options to Strengthen Cultural Impact

- Increase cultural funding through SaskFILM and SCN.
- Include some basic cultural criteria for SFETC eligibility.
- Provide direction to SaskFILM with respect to cultural objectives.
- Implement strategies that ensure First Nations and Métis people and youth have access to development opportunities.

Options to Strengthen Economic Impact

- Add a minimum number of Saskatchewan shooting days to be eligible for SFETC. At the current time, as long as there is a Saskatchewan producer involved and Saskatchewan labour, the location of the film shoot is not necessary to receive the SFETC. However, the greatest economic impact comes from the actual production shoot, which includes the purchase of many goods and services as well as the hiring of Saskatchewan labour.
- Establish the ability to file an interim tax credit at the completion of principle photography (the most expensive part of production) to reduce the debt load and help stabilize Saskatchewan production companies. This adjustment would make the Saskatchewan program consistent with the federal tax credit program.

Options to Maximize Net Returns to Government

- Limit the waiver of residency (deeming provision) in the SFETC to cap the total value of deemed positions per production. By limiting the importation of labour, government could ensure that the majority of those supported by the tax credit pay income tax in Saskatchewan. This strategy would result in lower production volumes, but would maximize the economic and provincial treasury benefits.
- Adjust the rural bonus credit to equal 5% of a project's total eligible labour rather than of a project's total cost. This strategy would reduce the cost of the SFETC.

Options to Strengthen Training Programs and Incentives

- Identify training priorities based on reliable production levels rather than peak production levels.
- Consider a comprehensive approach to filling a wide range of occupations to meet future demands in the industry rather than producer driven strategies. (e.g. identify skill development priorities, rather than training strategies designed to meet the convenience of specific productions).

- Support flexible approaches to compliment on-the-job training offered through Job Start/Future Skills and the tax credit. Alternative training activity may include offset mentorship, workshops and funds for low-budget drama productions.
- Address special training needs of specific groups such as Saskatoon-based and First Nations and Métis initiatives.
- Adjust the submission process for training plans to allow for the submission of a preliminary training plan in advance of the full training plan submission. A preliminary plan will allow more time for the effective review and development of training plans in advance of the production start date.

Administrative Roles and Responsibilities

- Maintain an interdepartmental coordinating team to increase integration and coordination of planning and policy for the film industry, including Culture, Youth and Recreation, Industry and Resources, Investment Saskatchewan, Finance and Learning.

1.5 CONCLUSION

It is not the intention of this review to outline a development strategy for the industry. The industry is responsible for setting its own direction and industry stakeholders are doing this. This review focused on the role of government with respect to industry support initiatives.

A single film policy perspective shared across government will help ensure that realistic performance expectations of the industry correspond with the level of government investment involved. Any changes made to components of film industry financing approach will have an impact on other components and should be carefully considered.

2.0 Introduction

Film, television and multimedia are powerful means to reflect and inform society and project Canadian culture. With convergence of digital technology, media production has become an even more accessible cultural activity that enables people to share ideas and experiences across cultures. In Canada, federal and provincial governments have chosen to support the film and video industry to ensure that a broad range of culturally significant products of different types, reflecting diverse viewpoints is produced. For the same reasons, all other western industrialized nations have some form of public support for their domestic film and video production industries.

Initially, cultural policy motivated public support for the film and video industry. At the same time, there is recognition of the industry's contribution to the economy. Recognizing the economic benefits of the industry, all Canadian provinces are now engaged in public support for their indigenous industries and most offer incentives to attract foreign production to their province.

Television drama series Moccasin Flats. Saskatchewan actors Candace Fox (as Candy)(foreefront) and Dana Henderson (as Dana).

The film and television industry has both a cultural and economic mandate. It is this dual imperative, which will ensure success in the marketplace and maximize public benefits. This report investigates both cultural and economic impacts that the industry contributes to Saskatchewan and considers the role of provincial government incentives in encouraging maximum benefits for the investment the province makes in the industry.

This report includes a history of the film and television industry in Saskatchewan and comparisons of other provincial film and television industries across Canada. It provides a profile of the current realities facing Saskatchewan industry and makes recommendations to ensure the stability and continued growth of the industry in Saskatchewan.

2.1 PURPOSE OF THE REVIEW

The purpose of the review is to evaluate all current incentives for the Saskatchewan film and video industry for effectiveness and competitiveness. Based on the results of that review, government will develop a revised strategy for its role with respect to the film and video industry.

Considerations in the development of a revised strategy include:

- The economic and cultural impact of the industry in Saskatchewan.
- Current issues and challenges faced by the industry.
- The level of investment required to sustain the industry.
- Effectiveness of administrative support and existing programs.

The focus of the review will be on the main investments made in the film and video industry by the Province of Saskatchewan. These are:

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- Job Start/Future Skills and Crew Call/WEPA
- Saskatchewan Arts Board support to media arts production
- Lottery system support to film, video and media arts organizations
- Saskatchewan Communications Network role in Saskatchewan production
- Educational institutions involved in media studies and production training

2.2 ISSUES MOTIVATING THE REVIEW

Given the extent of provincial support to the industry over the last several years, a number of issues indicated a need to step back and re-examine the provincial interest in the film industry. The following issues motivated the decision to conduct a comprehensive review of the film industry in Saskatchewan.

1. Unfettered growth in the industry has increased the demand on public funds.

2. The capacity of mid-sized producers to manage the cash flow challenges associated with growth.

3. Accountability for the use of public investment in the industry to ensure these incentives have achieved intended outcomes.

4. Public and media questioning the merit of investment in the Canada-Saskatchewan Production Studios.

5. Competitiveness of current incentives with those available in other provinces.

6. The unpredictability of the industry, causing fluctuations in volume from year to year and difficulty in managing the cost of the provincial film tax credit program.

7. The value of the industry to Saskatchewan, which is not widely understood.

In response to these questions, the Department of Culture, Youth and Recreation, in partnership with Finance, Industry and Resources, Investment Saskatchewan, Saskatchewan Communications Network, and Learning, have undertaken a review of government's investments and role in the film industry.

2.3 METHODOLOGY

Evaluation Team
The review was managed by a project team consisting of representatives from Culture, Youth and Recreation; Finance; Industry and Resources; Crown Investments Corporation; Learning; and Saskatchewan Communications Network.

The full project team met on three occasions:
- At the outset of the review process to ratify the terms of reference and the proposed scope of the review and to identify priority issues within the film and video industry.
- Prior to the conclusion of the review, discussion of findings and emerging options.
- At the end of the review to finalize the report conclusions and options.

The review coordinator and members of the project team met as needed throughout the process.

Key stakeholder representatives met with the full project team at the start and the end of the review process as a means to provide input into the review process and the final recommendations. In addition, the review coordinator held additional meetings with key stakeholders groups including SaskFILM, SMPIA, SFPA, industry labour organizations: ACTRA, DGC and IATSE. The Saskatchewan Arts Board and media arts organizations were also included in the review process.

Data Sources
Wherever possible, the project team used existing sources of information for both the economic and cultural analysis (e.g. from Statistics Canada, the Economic and Fiscal Policy Branch in Finance, the Culture and Heritage Branch of Culture, Youth and Recreation, SaskFILM and other reports). Two sample surveys obtained current information on production company and labour profiles. Other provincial jurisdictions provided information on their film industry investment and any proposed alteration to those programs. Derek Murray Consulting and Associates Inc. provided supplementary economic impact analysis through a contract with the Department of Industry and Resources.

2.4 LIMITATIONS OF THE REVIEW

The review process relied on the cooperation of the stakeholder organizations: SaskFILM, SMPIA, SFPA and labour organizations to provide input to the review process. A broad-based community consultation was not possible with the limited time and funding available. As a result, the stakeholder views represented may not adequately reflect the perspectives of special interests that would have been relevant to this review. In particular, it would have been informative to include a more focused consultation with the Saskatoon production community, new media developers, media arts, Aboriginal, and northern perspectives. These areas all warrant further study and consideration.

Information on the total size of the industry including commercial and sponsored production was not available. The review relied primarily on information from the Film Employment Tax Credit database, as well as information from SCN.

Estimates provide a reasonable assessment of the economic benefits of the industry and the level of returns to the provincial treasury and more conclusive information would require a more in depth study. Statistics Canada information on the Saskatchewan industry was found to be incomplete, and there was no data to provide reliable comparisons to other industry sectors in Saskatchewan. Information on the national industry and inter-provincial film industry comparisons relied on the Canadian Film and Television Producers Association (CFTPA) / Department of Canadian Heritage Report, *Profile 2004: An Economic Report on the Canadian Film and Television Production Industry (January 2004).*

Producers, labour organizations, SMPIA (Crew Call), SIAST, and SaskFILM provided information on the industry labour base. The lack of reliable information in this area suggests a need for a more coordinated approach to labour development for the industry.

3.0 Overview of the Saskatchewan Film and Video Industry

3.1 HISTORY OF THE FILM AND VIDEO INDUSTRY IN SASKATCHEWAN

The Yorkton Short Film and Video Festival, established in 1947, is one of the longest running film festivals of any kind in the world. It has brought filmmakers to Saskatchewan for nearly 60 years.

In 1969, the University of Saskatchewan (Regina Campus) introduced a film program. By 1973, Saskatchewan filmmakers were involved in industry development strategies, which resulted in SaskMedia (1975), a provincial government educational media house, and the Saskatchewan Filmpool Cooperative (1977). Through the 1980's the Saskatchewan industry consisted of a small number of independent production companies engaged primarily in commercial and service production for industrial and educational markets. There was also a small thriving community of independent film and video artists and writers involved in artist-driven production.

With the federal policy initiatives enacted in 1983 and 1984, there emerged need for an organization to represent the independent production community. In 1985, the Saskatchewan Motion Picture Industry Association (SMPIA) provided a forum for Saskatchewan producers seeking to benefit from the new federal broadcasting and film policies. By 1989, SMPIA received approval as an eligible Provincial Cultural Organization (PCO) through the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. This designation allowed SMPIA to receive an annual operating grant to offer provincial-scope representation and service, and to support media arts organizations including the Saskatchewan Filmpool Cooperative and the Yorkton Short Film and Video Festival.

The *"Saskatchewan Film Industry Task Force Report"* (1987) stated the need for a provincially funded film development corporation. As a result, the province established SaskFILM in 1989. SaskFILM's first year of operation was in 1990. The equity investments made by SaskFILM in the mid to late '90s combined with the support of federal and provincial training and market development programs saw the industry rise to a new level of $26M by 1996. The establishment of the Saskatchewan Communications Network (SCN) in 1989 was of critical importance to local producers as it provided the broadcast licence necessary to trigger other forms of investment. SCN's influence increased from 1990 on, once Saskatchewan producers had access to broadcast license fees through a provincial broadcaster.

In addition, provincial support for training in the film and video sector, which began with Job Start/Future Skills in 1995, made it possible for Saskatchewan residents to qualify for jobs in the growing industry.

By 1997, there were 33 active producers and production companies listed in the SMPIA directory and a proliferation of Saskatchewan projects made in documentary and dramatic genres. Saskatchewan producers were active in international markets, earning credibility with international broadcasters and co-production partners. Saskatchewan productions received critical recognition. It was clear that if the industry was to continue to grow, added investment was necessary to support this growth and to remain competitive with other jurisdictions. Recognizing the economic and cultural benefits of the industry, the province established the Saskatchewan Film and Video Employment Tax Credit (SFETC) in 1998 to drive further growth.

Two major reports informed the decision to establish the SFETC. *A Cultural Industries Development Strategy for Saskatchewan* (CIDS), presented to the Minister of Saskatchewan Municipal Government (now Culture,Youth and Recreation) in the *Review of the Film and Video Industry in Saskatchewan* prepared for the Minister of Municipal Government, Minister of Economic and Co-operative Development (now Industry and Resources) and Minister of Finance, by Management Services, Saskatchewan Finance guided this decision. The Finance report relied on the detailed information of the CIDS. Together these reports provide a comprehensive snapshot of the Saskatchewan film and video industry in 1997 and provided insight into the potential of the industry, as it was understood at that time.

In 1997, when the SFETC was proposed, SMPIA projected the industry could grow to $64M annual production volume in four years if there was a tax credit of 40% on eligible labour and an increase to SaskFILM to $3M a year, $1.5M of which would be for equity financing. The province chose an alternative option with a tax credit of 35% of eligible labour with a 5% rural bonus and reduced funding to SaskFILM to $1M per year.

With the tax credit in place in 1998 there was an immediate surge in production volumes to $52.1M. This was followed in 1999 by a drop to $17.1M of tax credit production. Since then, production volumes have climbed again but with some fluctuation and are expected to reach $47M for 2003. While volumes have fluctuated from year to year, the six-year average production volume in the years since the tax credit was introduced is $39M, 50% greater than the $26M reached prior to 1998.

The high production level achieved in 1998 was in part due to a backlog of productions, which were ready to go forward when the tax credit was introduced, as well as the combined impact of SaskFILM's equity program, which was at its highest level in 1997, allowing an unprecedented number of productions to go ahead in 1998. Favourable conditions in the national and international markets also contributed to strong performance in 1998. In 1999, policy changes at the national and international level made drama production levels decline across the country. The SaskFILM equity fund was also reduced in 1998.

In 2002, the province invested in the establishment of the Canada-Saskatchewan Production Studios (CSPS). This has helped establish the infrastructure needed to be a viable production location for foreign production as well as offering production facilities to local productions.

The province of Saskatchewan has taken a coordinated approach to industry development with an interest in balancing both economic and cultural benefits. Even though this balance may be leaning more toward economic rather than cultural interests, this approach has generally worked well and has enabled Saskatchewan's film and video industry to grow from production volumes of just over $5M prior to 1993 to $47M in 2003. In total, SFETC and SCN financed 250 projects since 1998 through the combined, for local, national and international markets.

When production volume reached $52.2M in the first year of the tax credit, there was expectation for continued growth. While there have been some fluctuations in ensuing years, creating some concern that the industry growth is not as strong as expected, 2003 was the strongest year since 1998, reaching $47M in tax credit production.

With current incentives in place, the motion picture industry in Saskatchewan is well positioned for continued growth. As of April 2004, SaskFILM is anticipating a strong production year and reports the following productions are already set to go in the 2004 production season. The three drama series are all renewed series that have achieved market success sufficient to allow them to continue. This is a very positive indicator of the maturity of the production industry in the province.

- *Corner Gas*, drama series, 18 x 30 minute episodes
- *renegadepress.com*, drama series, 9 x 30 minute episodes
- *The Preacher*, feature film
- *Beginning of Wisdom*, feature film
- *Moccasin Flats*, drama series, 9 x 30 minute episodes
- *Tommy Douglas Story*, mini-series, 2 x 120 minute (may be rescheduled to 2005)
- Several documentaries

3.2 CURRENT STATE OF THE SASKATCHEWAN FILM INDUSTRY

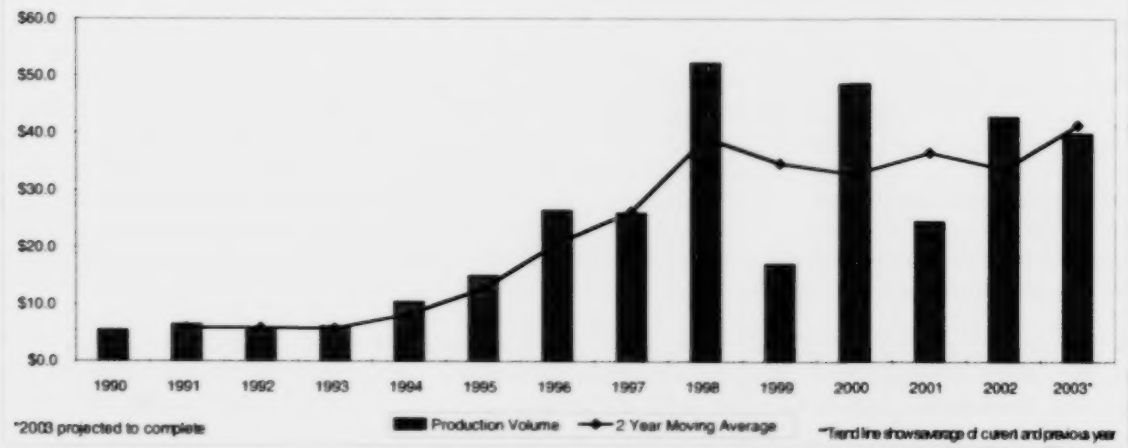
Production Volume

Growth Trends

Over the past decade, the production volume of the industry has continued to rise. Since 1998, the volume of Saskatchewan SFETC eligible film and video production has fluctuated between a low of $17M and a high of $52M, with production projected to be $47M in 2003. The last two years show an improved trend with 2003 being the best production year since 1998. The average SFETC volume since 1998 is $39M. This is 50% higher than the $26M volume reached prior to the SFETC.

The SFETC numbers, while having the advantage of being accurate, underestimate the actual size of the industry. Specifically, they do not account for productions, which did not utilize the film tax credit. Estimates indicate production volumes are at least $8M higher than those provided through the tax credit. As such, the Saskatchewan film and video production is approximately a $50M industry in the province. The industry is nearly double the size it was prior to the implementation of the tax credit and is up significantly from the early '90s when it estimates were in the range of $5M per year.

Figure 1: Total Production Volume in Millions ($)



For the purpose of this review, the SFETC volume figures recognize an additional $8M of production from SCN ($3.5M), media arts ($.5M) and commercial activity ($4M) that is not included in the SFETC. This would bring total anticipated production volume in 2003 to $55M and an average total volume over six years of $45.5M.

An estimated $45.5M film and video industry creates approximately 798 direct jobs in Saskatchewan. Of these jobs, 651 are a direct result of SFETC production activity and another 147 through other production activity.

Table 1. Estimated Production Volume not included in SFETC for 2002 - 2003	
Source	Volume (millions)
SCN – not included in SFETC numbers	3.50
Media Arts Production	0.50
Commercial Production	4.00
Total Other Production	8.00
Total SFETC Production	42.00
Total Production Volume 2002/2003	50.00

SCN

For the 2002-2003 year, SCN supported 25 Saskatchewan productions through pre-licences and development/production funds that did not involve SaskFILM/SFETC funding. Estimated total budgets for these productions are $3.5M. This is 35% of the total number of Saskatchewan productions supported by SCN in that year.

Media Arts

Total 2002-2003 production budget estimates for media arts include Saskatchewan Arts Board (SAB) funding of $60,211 to media artists and Canada Council funding of $153,250. Based on a sample analysis of Filmpool projects, contributions from these two sources represent 20% of total funding for artist driven productions. This would suggest that total media arts production is over $1M per year. However, as 32% of these budgets are equipment and crew deferrals, the cash value of these productions is probably closer to $.7M. Of these, eight projects (27% of the 30 projects in the sample) have SaskFILM funding and are included in the SFETC data. The SAB estimates that projects receiving public support comprise just 10% of total artist-driven projects produced in the province. The total production volume may be well over $1M annually. A conservative estimate of artist-driven production for the purpose of this report is $.5M. Other sources of funding including the filmmaker's own cash contributions represent 41% of funds raised for these productions.

Of 30 Filmpool films produced since 2002, eight accessed some funding from SaskFILM. On average, SaskFILM contributions represent 6% of total financing. The Filmpool sample suggests that there is some access to SaskFILM and the SFETC by artist-driven production, however, the majority of media arts projects are created without direct public funding.

Table 2. Sample of 30 Filmpool Productions Funding Sources		
Equipment and Crew Deferrals	296,362	33%
Sask. Arts Board	55,590	6%
Canada Council	129,795	14%
SaskFILM (8 projects)	52,937	6%
Other Contributions	366,537	41%
Total Production Budgets	901,221	100%

Commercial and Sponsored Activity

Reliable information on commercial and sponsored activity is not available. SaskFILM estimates $3-$5M generated in commercial production volume each year. This may be an underestimate and does not include in-house or broadcaster production. The majority of commercial work comes from corporate clients including crown corporations. Sponsored activity includes production paid for by clients for

specific purposes. Examples of sponsored productions would include corporate training videos.

Large Scale Productions
The number of large-scale productions has the greatest impact on production volume and fluctuations in volume from year to year. Of the 193 productions supported through the SFETC since 1998, nine had budgets over $5M. There were no productions over $5M in 1999 or in 2001, which accounts for the lower production levels in those years. The number of projects under $5M seems relatively stable from year to year. On average, the sector produces 26 projects under $1M and nine projects between $1M and $5M each year.

3.3 PROFILE OF SASKATCHEWAN PRODUCTION COMPANIES

There are a growing number of producers and production companies active in the province. Saskatchewan's production community consists of approximately 65 independent producers and production companies. Of these, eight production companies have generated over $10 M in SFETC supported production activity since 1998. Of these, Minds Eye Pictures has generated $81.5M, by far the most SFETC production activity. The others are mid-size companies; seven in the $10M to $30M range, and 10 companies who have generated $1M to $10M in SFETC production since 1998 (one of these is no longer active).

Mid-size production companies have provided stability to the industry through difficult times and are growing quickly, showing increases in the number and size of productions.

Table 3. Total Production Companies and Producers Identified through SFETC and SCN

Companies With Over $10M in SFETC Production Since 1998	8
Companies With $1M - $10M in SFETC Production Since 1998	9
Companies With Less Than $1M in Production Since 1998	45
Total Production Companies and Producers Identified	65
Media Arts Centers (providing equipment access to media artists)	3
Total Producers Listed in SMPIA Directory	87

There are 48 smaller companies; 23 of these are smaller companies active on an ongoing basis and the other 25 are individual producers and independent filmmakers who tend to produce less frequently. There are also three media arts access centers involved in production and providing equipment access to numerous individuals.

Of the 48 smaller producers identified, 27 have accessed the SFETC at least once for productions valued under $1M. Another seven have only accessed SCN and the remaining nine are producers known to be active but not accessing these programs. There are 87 producers listed in the SMPIA directory, which suggests that there are many others involved in producing who are not known to SaskFILM and SCN. In 1997, the SMPIA directory listed 33 producers, which indicates a growing number of emerging producers and people who are apparently producing on a more intermittent basis.

Many production companies operate on a project-by-project basis. A few of the larger companies are involved in series production. Most of the smaller companies are producing fewer than three tax credit supported productions per year. This does not necessarily mean these are small companies, as the extent of commercial production is not known.

Most of the mid-size production companies show significant growth trends by venturing into drama and other higher budget projects. This combined with the growth of the larger production companies could result in a significant growth trend in the next few years. SaskFILM is expecting a busy production

season in 2004. The Canada-Saskatchewan Production Studios is already fully booked from May to October of 2004/2005, and a number of major productions, including a renewed season of *Corner Gas* are on the production slate. Most of this activity is generated by mid-size producers.

The expertise of Saskatchewan producers has grown considerably. Access to international markets has increased, and many producers are taking on larger productions. In a sample survey of eight mid-size production companies conducted by SMPIA in February 2004, all except one showed growth trends. This suggests growing success of mid-size companies and potential for continued success.

Table 4. Survey of 8 Mid-Size Production Companies	**1996**	**2003**
Number of Full-Time Employees	28	115
Number of Projects Annually	63	297
Annual Production Volume (millions)	$7.3	$39.7
Number of Broadcaster Relationships	19	69
Number of Projects Marketed Internationally	5	89
Number of Awards Received	21	140

With only a few exceptions, the principle production companies and producers have been active in the province for many years. In some instances producers have taken specific productions out of province to gain a better business advantage. This was the case when Minds Eye Pictures moved *Myth Quest* to Alberta. Some movement between provinces is expected for any industry. In general, Saskatchewan producers have not left the province to find better production opportunities but have remained in this province and have worked to create a viable industry here. At least one larger company, The Edge Productions, moved out of province in 2003.

Vérité Films relocated to Saskatchewan to co-produce *Incredible Story Studios* with Minds Eye Pictures and has remained here, creating *renegadepress.com* and *Corner Gas*. Producers Jennifer Podemski and Laura Milliken chose to create the drama series *Moccasin Flats* set in North-Central Regina and collaborated with local producer to access provincial financing. These newcomers to the Saskatchewan production scene have made major contributions to the caliber of drama being produced in the province. These examples show how successful Saskatchewan has been in building a credible industry in this province and how the unique culture of Saskatchewan has merit that is recognized even beyond the provincial borders.

3.4 PROFILE OF THE FILM INDUSTRY LABOUR BASE

Based on a $45.5M industry, there are 798 full time equivalent (FTE) jobs created by the film industry in Saskatchewan, 651 of those jobs are because of tax credit supported productions. The majority of those working in the industry do so on a part-time or contract for service basis and combine their film industry income with other occupations. As industry jobs tend to be well paid, even occasional work on production represents considerable income to these individuals and can enable them to work in their chosen field while living in Saskatchewan.

The chart below identifies over 1,000 people directly employed in the industry in the three main labour organizations, production companies and film organizations. Labour organizations identify full members as well as permitees and apprentices that are in the process of gaining sufficient experience to qualify for member status. There may be nearly 400 FTE jobs represented here alone.

Table 5. Identified Individuals Employed*	1997	2003
Labour Organization Saskatchewan Members		
IATSE 295, 300 and 669 (film members)	90	134
IATSE 295 (permitees)	80	136
DGC (Directors Guild of Canada)	10	57
ACTRA – active members avg.	13	145
ACTRA (apprentices)	14	101
Subtotal Labour Organizations	207	573
Production Company Employees		
Producers - 37 active production companies		
- 4 people on average full time		148
- 9 people on average part time and contract		333
Subtotal production company employees		481
Non-profit Film Organizations		35
Total Individuals		1,078

*Non-union labour is not included.

Labour Organization Job Estimates

In total, the labour organizations ACTRA, DCG and IATSE (295, 300 and 669) report an increase of 253% in active members and permitees, from 207 in 1997 to 543 in 2003. There are increases in all areas except for some loss in senior IATSE members that occurred when production volume dropped. There is an increase in IATSE permitees being trained to fill these positions as well as a marked increase in ACTRA and DGC members.

Income estimates are based on average income information provided by ACTRA and IATSE 295. Even though the average income of union members was not available for DGC or IATSE 669 and 300, there is some evidence from labour organizations that wages have increased. The reports from IATSE 295 show significant growth in average income. The payroll of IATSE 295 film production members was $1.2M in 2002 and more than double to $2.8M in 2003. IATSE 295 reports average salary for members has increased 62% since 1999, from $15,312 to $24,813, and permitees' earnings improved from $2,500 on average per year to $4,118.

Saskatchewan ACTRA reports a dramatic increase in numbers of days members worked, from 55 days in 1999 to 734 days in 2003. The number of actors working has also increased from 27 to 246. For ACTRA members, the average income earned is lower, however, the number of members has grown considerably and income for apprentices, those working toward full membership status, has improved. ACTRA reported a dramatic increase in background performer days from 137 days paid in 1999 to 1493 in 2003.

Production Company Job Estimate

Statistics Canada reports that of 24 Saskatchewan production companies surveyed, 98 people were employed on a full-time basis, 12 part-time and 212 on a contractual basis. This is an average of 13 people employed per production company, four of those on a full-time basis. There are 37 active ongoing production companies in Saskatchewan, which means that there could be as many as 481 people employed either full-time, part-time, or on a contract by those companies on a regular basis.

Non-Profit Film Organizations

There are 14 non-profit film organizations identified in this report: SMPIA, SaskFILM, and 10 media arts organizations and festivals supported through the Saskatchewan lotteries system. These community organizations support several administrative and program jobs. Of seven media arts organization reviewed in the report "*The Status of the Media Arts in Saskatchewan*" (2003), these groups had operating

budgets of $1,451,597, which would create an estimated 27 jobs. These jobs are supported with $575,550 from provincial source funding and $553,921 levered from Canada Council, the rest from other sources. In addition SMPIA and SaskFILM employ eight full-time positions.

SFETC Sponsored Labour

The following table shows the generation of the direct labour expenditure within Saskatchewan. The SFETC data indicates that, on average, 56% of the labour expenditure was spent on Saskatchewan labour with operational expenditures comprising the other 44.65%. There is an overall increase in retained labour with some fluctuations. The amount spent on Saskatchewan labour has averaged $11.63M, but has improved over time as a portion of total budgets. This suggests a strengthening Saskatchewan skill base for production.

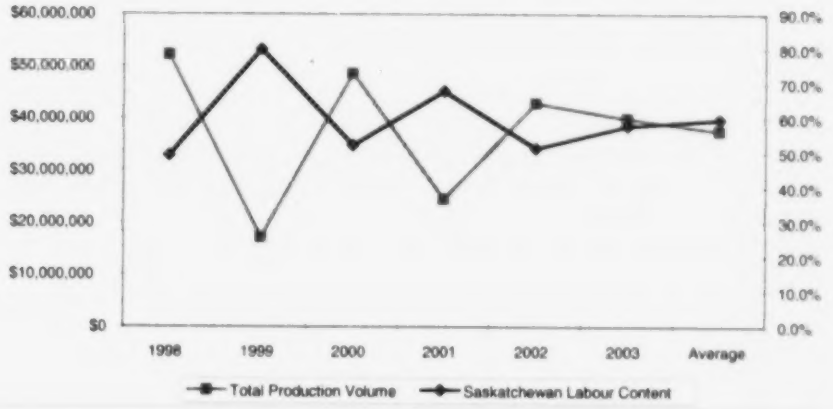
Table 6. Direct SFETC Production Labour Expenditures ($ Millions)

Fiscal	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	Average
Total Production Volume	$52.16	$17.13	$48.61	$24.54	$42.84	$39.92	$37.53
Labour Ratio	46.55%	49.33%	61.47%	61.37%	59.38%	53.98%	55.35%
Labour Expenditure	$24.28	$8.45	$29.88	$15.06	$25.44	$21.55	$20.78
Retained Expenditure	49.22%	79.76%	50.84%	65.74%	53.30%	57.82%	55.99%
Sask. Labour Expenditure	$11.95	$6.74	$15.19	$9.90	$13.56	$12.46	$11.63
Direct Employment (FTE)	341	193	434	283	387	356	332

3.5 RELATIONSHIP OF SASKATCHEWAN LABOUR TO PRODUCTION VOLUME

The level of Saskatchewan labour is most influenced by production volume. In general, the percentage of Saskatchewan labour content tends to be higher in years when production is slow. In years when production is high, the Saskatchewan labour content is fully deployed, requiring the industry to import labour reducing the overall Saskatchewan labour content. When production is slow there is less importation of labour and more Saskatchewan labour is used as a percentage of total expenditures.

Figure 2: Total Production Volume vs Saskatchewan Labour Content



In 1998-99 the film industry went through a significant expansion that pressed all experienced film workers into service. The shortage of skilled film labour in Saskatchewan forced the industry to import a higher percentage of workers.

While 1998-99 put a great demand on Saskatchewan's supply of experienced film labour, 1999-2000's production dropped off sharply. Because the demand for labour was reduced, there was less of a need to import labour from other jurisdictions. This led to the percentage of direct Saskatchewan labour growing significantly from 49.21% to 79.82%. This pattern is consistent through the six years of the SFETC.

3.6 EXPANSION OF THE SASKATCHEWAN FILM LABOUR BASE

The SFETC has increased the demand for experienced film crew in Saskatchewan, leading to growth of the skilled labour base. In the first year of the SFETC, the maximum number of Saskatchewan full-time equivalent positions created was 341 (1998-1999). Two years later, with the Saskatchewan labour content reaching capacity again, the Saskatchewan film content had grown by 27% to 434 (2000-2001). The 2003-2004 year is not fully tabulated, but the year is projected to generate 419 positions or nearly as many positions as in 2000-2001. This demonstrates that early growth of Saskatchewan's labour production capacity has been sustained.

3.7 TYPES OF FILMS AND VIDEOS PRODUCED IN SASKATCHEWAN

The foundation of the Saskatchewan film industry has traditionally been in sponsored corporate, information television, educational and documentary genres. Most production companies focus on documentary projects and get involved in the occasional drama, children's and variety projects. They manage a diversity of genres and this is generally considered a good survival strategy. The larger companies have the greatest emphasis on drama, and some of the mid-sized companies produce exclusively in non-drama genres.

Smaller producers work in documentary and low budget feature film genres and focus on one project at a time. This means they access SCN and the SFETC only intermittently. The number of these producers grows when there is more development loans, equity and grant funds available for this kind of work. Among these smaller producers are also filmmakers and other media artists who create work principally for festival markets.

Drama tends to have larger budgets, although the budgets of non-dramatic production are increasing, and some non-drama programs have budgets over $1M.

SFETC Productions
Of the 193 projects supported through the SFETC since 1998, the distribution of supported projects is as follows: documentary (40%), feature (11%), and educational (7%). There is little change in the number of productions from year to year of each size or genre with the following exceptions. Since 1998 the number of multimedia projects has dropped due to the discontinuation of the SaskTel Multimedia Fund. There has also been a drop in the number of co-productions from 41 in 1998 to only 20 in 2003. The reasons for this are related to changes in the international industry.

Table 7. SFETC Productions by Genre 1998 – 2003									
	1998	1999	2000	2001	2002	2003*	Total Number	Average Year	% Of Projects
Documentary	17	15	19	17	19	7	94	16	40%
Feature	6	4	5	3	4	4	26	4	11%
Educational	5	1	2	2	3		13	2	7%
Children	2	2	2	3	2	2	13	2	6%
Multimedia	5	1	3	1			10	2	6%
Magazine			1		3		4	1	5%
Performing Arts					2		2	-	5%
Dramatic Series	3	1	1	1	2	2	10	2	4%
Music Video				1	1	3	5	1	4%
Animation				1	1		2	-	3%
Interstitial				1			1	-	3%
Movie of the Week	2	0	1	1	2	1	7	1	3%
Variety	1	0	2	2		1	6	1	3%
Total Productions	41	24	36	33	39	20	193	32	100%
Co-Productions (Out-of-Province Partners)	13	3	7	7	5	1	36	6	15%

* Year to date figures shown for 2003

There are on average 32 SFETC productions per year, about half are documentaries, one-third of these are dramas and the rest are other non-dramatic genres.

The SFETC has supported 26 feature films since 1998 and SaskFILM has placed more emphasis on the development of these markets in recent years. There has been considerable success in documentary and information series as well as television drama in national and international television markets. Saskatchewan filmmakers have also seen increased recognition for their work at festivals in many countries.

SCN Productions

SCN has supported 153 Saskatchewan productions through broadcast licence fees since 1998. Most of these (70%) are documentaries, although SCN does invest in drama production that is of relevance to Saskatchewan people. SCN regional productions provide opportunities for Saskatchewan stories to be told that are likely of interest mainly to Saskatchewan audiences.

Table 8. SCN Licensed Saskatchewan Programs 1998 – 2003		
Genre	Total #	% Of Projects
Children's	10	6.5
Documentaries	107	70
Drama	12	8
Regional	14	9
Shorts	10	6.5
Total	153	100

SCN projects cover a wide range of subjects of interest to Saskatchewan viewers.

Table 9. SCN Productions by Subject		
Subject	Total #	%
Social awareness / regional subjects	30	19
History	29	19
Art / humanities	23	15
Fitness/leisure/health	15	10
Aboriginal	12	8
Science / technology / environment	12	8
Feature Films	10	7
Business / current affairs	9	5
Schools	7	5
Drama / shorts / other	6	4
Total SCN Programs	153	100

4.0 Cultural Impacts

Cultural benefits of the film industry to Saskatchewan people are identified in four main areas: cultural identity and affirmation; audience development; creation of cultural products; and cultural diversity. Each of these cultural benefits is discussed below. Evidence of cultural impact was collected in areas where indicators could be identified and information was available.

4.1 CULTURAL IDENTITY AND AFFIRMATION

The film and video industry contributes to Saskatchewan's culture through the creation of cultural products that can be viewed by Saskatchewan people and by people around the world. When this work reflects and affirms the values, stories and diverse images of Saskatchewan people it has potential to impress on the viewer the sense of place and identity that reflects who we are. Cultural affirmation instills confidence and pride on an individual and community level and builds social cohesion, respect and understanding among people.

When this kind of work is seen by a significant number of people who recognize the work as being reflective of Saskatchewan, the most cultural identity and affirmation impact is made.

Theoretically, the greatest cultural impact occurs when a large audience views Saskatchewan specific stories. However, cultural impact can occur at other levels as well. Throughout the review, we have used the following theoretical framework to understand cultural impact.

Gordon Tootoosis, celebrated Saskatchewan actor

While all film and video products are cultural products, and make other forms of cultural contribution, some have more content reflective of Saskatchewan culture than others do. In an industry that requires investment from the international marketplace, it is not always practical to have regional cultural imperatives drive production financing; however, it is important from a cultural policy point of view that investment in Saskatchewan cultural products includes investments that reflect Saskatchewan culture. First and foremost in achieving cultural impact is the development of industry capacity. This has been the emphasis of film policy for the past number of years.

Inevitably, and this has been evident, some of the products will tell Saskatchewan stories – cultural expression. The cumulative body of documentaries supported by SCN over the past decade is strong examples of cultural expression. SCN's own small audience does not provide high levels of cultural impression. However, its ability to link these products with other national broadcasters is a huge strength in moving to identity formation. The television series *Corner Gas* is one of the best examples of strong cultural impression. It tells Saskatchewan stories and speaks to the character of Saskatchewan people and, because of its large audiences, has the greatest potential to influence identity formation.

Saskatchewan Content

Of 153 Saskatchewan productions supported by SCN since 1998, 105 (69%) were identified as having primarily Saskatchewan content in terms of the stories and topics involved.

Table 10. Summary of SCN supported SK projects by Content 1998-2003

Genre	Total	SK Content	Youth	Aboriginal	Rural	Shot in SK	Identified SK Locations
Children	10	2	10	2	0	9	0
Docs	107	72	4	16	20	76	56
Drama	12	10	0	0	4	11	6
Regional	14	14	1	0	2	14	14
Shorts	10	7	0	1	3	10	6
Total	153	105	15	19	29	120	82

Over time SCN investments in Saskatchewan pre-licences and development has increased, from 63.7% to 73.6% of total activity. Acquisition investments have increased just over 1% of total acquisitions to nearly 10%, which indicates that there is more Saskatchewan production available than is suitable for broadcast on SCN.

The review sampled 46 of the 193 supported by SaskFILM through the SFETC. Based on the results of this sample, the following estimates are for SFETC productions having Saskatchewan content. As the SFETC is content-neutral, in the sense that there is no assessment of the cultural merit of a project supported, this summary shows that programs with cultural significance are supported by the SFETC. It is important to note that this summary shows all genres combined. The high cultural significance of documentary productions increases these percentages considerably. For example, when feature films, Movies of the Week (MOWs) and dramatic series are considered, the percentages for Saskatchewan Director and Writer drop to 35% and 25% respectively.

Table 11. Summary of SFETC supported projects by Cultural Significance 1998-2003 (for all genres combined and based on a sample of 46 SFETC productions)	
Saskatchewan Director	67%
Saskatchewan Writer	63%
Primarily shot in Saskatchewan	57%
Critical recognition received outside of province	46%
Saskatchewan Story	42%
Features and identifies Saskatchewan Locations	39%
Rural Perspective	34%
Youth Perspective	22%
Aboriginal Perspective	11%

Saskatchewan Creative Control

A production may be considered culturally significant if it has been created by Saskatchewan people regardless of the content or themes. Above-the-line positions include the producer, writer, director and principle actors involved in the project. Together these positions hold the creative control of the project. Between 1998 and 2002 SaskFILM reports that 21 productions made deeming claims for a total of $7.4M. Of these, $2.8M was for above-the-line and $4.6M was for below-the-line positions. As not all out-of-province above-the-line positions have been deemed, it is difficult to assess from the deeming data how many productions are controlled by Saskatchewan residents.

Identified Saskatchewan Locations

When unique Saskatchewan locations are featured in film there are potential benefits to Saskatchewan's tourism industry. Of 153 productions supported by SCN between1998 and 2003, 120 (78%) were shot in the province and of those 82 (54%) identified Saskatchewan locations.

Since 1998, productions supported through the SFETC have been shot in 11 Saskatchewan communities. Most are shot in Regina (75.6%) followed by Saskatoon (13%), and Moose Jaw (4.7%), Regina Beach (2.1%) and Balgonie (1.6%). The communities of Waskesiu, La Ronge, Muenster and Prince Albert have had one production each. Some of the productions shot in Saskatchewan have featured unique Saskatchewan locations such as the Qu'Appelle Valley for *Big Bear* and the monastery at Muenster for *Solitude*. Others are clearly identified as Saskatchewan locations such as the new comedy series *Corner Gas* that is set in a fictional Saskatchewan town and is shot in Roleau. This does not include productions that have less than 50% of shooting days in a community.

Many more communities have had productions shooting for shorter periods; however information on this is not available. There are no minimum requirements for Saskatchewan shooting days and so this information is not collected in the SFETC database. It would be a useful indicator to include for future studies.

Within Saskatchewan, SCN's regional programs are modest low budget programs that reflect Saskatchewan life. SCN viewer surveys show *Life Without Borders* is the most frequently referenced Saskatchewan production and is the most successful regional series on SCN.

The recently renewed television series *Corner Gas* is an excellent example of a program with high Saskatchewan content that has attracted viewers across Canada through a conventional national broadcaster. With high ratings and evident Saskatchewan content, *Corner Gas* has the ability to make a strong cultural impression impact across Canada.

Increase in the Level of Saskatchewan Products on Television

SCN has increased the number of on-air hours of Saskatchewan content from 14.2% in 1998 to 25.8% in 2003. This is an increase of 81% and exceeds the goal SCN stated in 1997 to reach a goal of 20% Saskatchewan content programming. SCN has a mandate to provide educational and cultural programming of relevance to Saskatchewan people; however it must be sure to provide programming that appeals to Saskatchewan viewers. The increased level of Saskatchewan content suggests that the amount and quality of Saskatchewan program has increased and that Saskatchewan people are interested in viewing this programming.

The number of broadcasters and distributors investing in Saskatchewan production has increased. In a survey of eight Saskatchewan production companies, they reported an increase in broadcaster relationships from 19 in 1996 to 60 in 2003. This trend is evident again the portion of financing coming from broadcasters and distributors which rose from 33% in 1998 to 53.3% in 2003. The number of international broadcasters and distributors is also increasing, and indicates increased opportunities to view Saskatchewan production worldwide. While still a tiny portion of national and world markets, these are significant inroads for Saskatchewan production and are earned based on the ability to provide quality products for international markets.

In the week of February 6-12, 2004 there was 44 hours of Saskatchewan programming offered on the nine stations listed in Regina and 35.5 hours on the eight stations listed in Saskatoon. This does not include live and news programming. The comparison to previous years is not available; however, the 2004 result can be used as a benchmark to track future rates of Saskatchewan content on these stations.

Critical Success of Saskatchewan Productions

Saskatchewan's first Gemini Award winner was Heartland Motion Picture's one-hour drama *The Garden*. This production, directed by Regina's Will Dixon, was celebrated as a milestone achievement in 1992. Saskatchewan filmmakers were already being recognized in the '90s outside of the province, for example in 1996 Robin Schlaht's *Moscow Summer* was one of only 16 Canadian feature films selected from 72 entries for the Perspectives Canada Program of the Toronto International Film Festival.

Saskatchewan's first Emmy Award winner Chris Triffo

There have been Gemini nominations and awards for documentaries such as Partners in Motion *Dad* (1998), Camera West *They Live to Polka* (2000), and Independent Moving Pictures *The Boys Who Loved Hockey*; and dramas including *Big Bear* (1999), *Incredible Stories Studios* TV series (Best Children's Youth Program (2000), and Mind's Eye *TV Series Mentors* which won Geminis in 2000 and 2001. A major milestone was Partners in Motion, which received a prestigious Emmy Award for the documentary *13 Seconds-Kent State*. This kind of recognition speaks volumes about the quality of the work produced in Saskatchewan. The recognition does much to increase the status of the industry in world markets, raising awareness and interest in Saskatchewan productions.

Presence at Festivals

The Saskatchewan Filmpool records from 1995 to 2004 show an impressive increase in numbers of filmmakers who have had work screened in festival markets worldwide. Between 1995 and 1998 just seven festival markets were listed involving eight filmmakers. Since that time, many Saskatchewan filmmakers have produced work screened in festivals in countries around the world and many have garnered awards and critical recognition. Of note was the recent Canadian Film Institute Retrospective: The Films of Brian Stockton (Ottawa, Ontario) and Brett Bell's *Blueberry*, which has won five international film awards and been broadcast on Bravo and CBC. Like many others that have pursued careers in film, these filmmakers are alumni of the University of Regina Film and Video Department.

4.2 OPPORTUNITIES FOR FIRST NATION AND MÉTIS PEOPLE

The Status of the Media Arts in Saskatchewan reports that members of the First Nation and Métis community are very interested in media arts. For example, there are currently two artist-run centers with First Nation and Métis mandates involved in media arts production: Tribe, located in Saskatoon, and Sâkêwêwak, in Regina. These organizations have co-operative relationships with the artist-run equipment access centers Paved and Saskatchewan Filmpool Cooperative, so that each is reporting a higher level of involvement of First Nation and Métis people. All of these media arts organizations received provincial funding throughout Saskatchewan Arts Board Global Grant Program, and lottery funds through SaskCulture.

In Northern Saskatchewan, Y'utthe Askiy is an emerging organization in the process of developing a media arts facility in La Ronge that will also have extensive outreach and transporting mobile media units to remote communities. Common Weal, another community-based arts organization, has recently begun a First Nation and Métis Outreach Program in Prince Albert. All of this points to a high level of interest by First Nation and Métis people in media arts production.

Film and video helps reach people who are living in isolated communities and in smaller communities throughout the province and is often used to educate and share information and experiences.

There are some positive examples of opportunities for First Nation and Métis people that have occurred and there is expectation in the industry that these kinds of events will become more common in future.

The Saskatchewan Motion Picture Association (SMPIA) held an Aboriginal Motion Pictures Arts Symposium in February 1999. The symposium involved 70 participants. The barriers to training and employment in the industry faced by First Nation and Métis people were identified as:

- Inaccessibility of northern and rural communities
- Non-Aboriginal people's unfamiliarity of working with First Nation and Métis people
- Lack of "bridges" between training organizations and the First Nation and Métis community
- First Nation and Métis people's lack of disposable income to pay for courses
- Lack of awareness of the opportunities currently existing in Saskatchewan

Suggested strategies included:

- Holding more symposiums and including more people
- Communications and outreach strategies
- Interest in access to industry jobs – but also in developing own stories, partnerships with SIFC, northern training and producer mentorships

A second Aboriginal Film Symposium was held in February 2000. This event created more interaction between established crew and those interested in pursuing a film career. The newly formed Crew Call supported the second symposium. Over 100 high school students attended, mostly from rural areas.

In 2002, SMPIA/Crew Call encouraged producers Jennifer Podemski and Laura Milliken in the repREZentin training project that resulted in the *Moccasin Flats* pilot. Crew Call was involved in the *Moccasin Flats* series in 2003 where 30 First Nation and Métis youth had the opportunity to take all four SIAST courses and receive on-the-job work experience for the Applied Certificate in Film, Television and New Media. Twenty-six of the youth completed their training over the summer of 2002. There was also Job Start/Future Skills support on the production.

This major training initiative was carried out with the cooperation of the labour organizations involved. In 2003, on set of *Moccasin Flats*, the Directors Guild of Canada trained and permitted 14 First Nation and Métis youth. This production has been renewed for another season.

DGC crewmembers on this production acted as the mentors. The DGC also held a Flags person's course for this specific production, and certified 15 First Nation and Métis youth, all of whom worked on *Moccasin Flats*. This certification allows them to work on a DGC production, as a location production assistant. A few of the individuals who took this course, have worked on other productions since *Moccasin Flats*. Saskatchewan-ACTRA was also proactive in encouraging many young First Nation and Métis actors in their first professional production.

Young repREZentin trainees on the set of Moccasin Flats

A number of industry trainees and new industry members are First Nation and Métis. For example, the Director Observer/Trainee on the series, *renegadepress.com*, shot in Regina in 2003, was a First Nation and Métis youth. DGC Directors acted as the mentor. Saskatchewan ACTRA reports that a high number of new members are First Nation and Métis. There has been effort made to sign-up First Nation and Métis actors hired on productions and this trend suggests there may be more First Nation and Métis content in Saskatchewan productions as more First Nation and Métis actors are hired.

The film industry reports a high level of interest in media production among youth and First Nation and Métis people. For example, SMPIA and others represented the industry at Career Fairs including'*Blueprint for the Future*'(2001) Aboriginal Youth Career Fair organized by National Aboriginal Achievement Foundation.

In April 2003, SMPIA/Crew Call took part in *repREZentin*, a weeklong Media Empowerment Training Program, in Ile-a-la-Crosse. This event was organized by the producers of *Moccasin Flats*. Over 20 First Nation and Métis youth received mentorship and career consultation services through this program.

In March 2004, the First Nations University of Canada – INCA (Indian Communication Arts) asked SMPIA/Crew Call to participate in a showcase of student Work from First Multimedia Training Project. This has led to further discussion between INCA and the industry to plan future partnerships.

Diversity of Themes and Stories

15 (10%) of SCN programs focused on youth, 19 (12%) focused on First Nation and Métis themes, 29 (19%) focused on rural themes. SaskFILM does not include information on themes the SFETC database but based on the sample of 46 SFETC productions, many were found to reflect the diversity of Saskatchewan people including 34% of productions showed rural perspectives, 22% showed youth perspectives and 11% were projects with significant First Nation and Métis content.

5.0 Economic Impacts and Net Cost to Government

5.1 ECONOMIC IMPACTS

With the total value of film production estimated at $45.5M per year, Saskatchewan's film and video industry represents less than 1/5 of 1% of provincial GDP. For a relatively small sector of the economy, the industry has attracted a lot of interest and is often hailed as a bright light for the province's future. The industry attracts this kind of recognition due to some unique characteristics that make it attractive from an economic development point of view.

Employment
The report Economic Impact Statement for the Saskatchewan Film and Video Industry provides a more accurate assessment of the employment impact of Saskatchewan production. Inter-provincial input output tables for Motion Picture and Video Production, Distribution, and Post Production were utilized to develop a regional multiplier for the Saskatchewan film production industry. A multiplier of 1.96 has been established to calculate the job creation impact of Saskatchewan film labour expenditure. Based on this method, the Saskatchewan labour impact of $45.5M in production is $14.26M in direct Saskatchewan labour expenditures and 407 direct film industry jobs. In addition, 391 jobs are created in related industries for a total employment impact of $27.94M and 798 jobs.

There is evidence to suggest that the industry is an employer of young people. IATSE 295 reports that of the 53 new members since 1998, 24 were under 30 years old at age of initiation and the average age of initiation is 33 years. The average age of current film members is 37.7 years. The DGC did not have information on the age of Saskatchewan members. Saskatchewan ACTRA reports having a large youth component, with increases in recent years due to youth oriented programs such as *Moccasin Flats* and *renegadepress.com*. Approximately 25% of ACTRA members are under 25 years and the average age of all Saskatchewan ACTRA members is approximately 35 years.

Data is not collected on the age of film industry trainees through the SIAST and Job Start/Future Skills programs. It is estimated by the program administrators that of the 539 people trained through these programs since 1995/1996, 89 people (29%) were under 25 years old and the majority were less than 35 years old.

Provincial Cost Per Job
On average the SFETC program costs the province $5.27M per year. If the total direct job impact of SFETC production in the province is 651 jobs, the province's cost is $8,095 per job (based on an average salary of $35,000). This cost does not include the return to the province in tax revenues, which bring the net cost per job to $707. This also does not take into consideration the other benefits that are gained through the provincial investment.

Investment Leverage
Public funding is crucial to the financing structure of most Canadian production but government agencies tend to be low on the recoupment schedule and are therefore unlikely to see a return of their investment. Private investors rank higher and are more likely to see a return. This reflects the reality of the film and video industry in Canada – most projects are not profitable, at least in the short term. Public support is necessary to lever financing from private sources. This leads to the leveraging argument made by the industry. Although provincial funding makes up a small proportion of the total budget, the balance is made up of investments from federal and private sources that would otherwise not be spent in the province.

The total average provincial investment in film projects supported through the SFETC is 17.4%. This includes SFETC financing (14.3%), as well as financing from other provincial sources (3.1%). This means 82.6% of total production financing is leveraged from other sources, mostly from national film

financing programs and private broadcasters. For an annual provincial investment of $6.5M, $37.5M in SFETC production volume is generated including $23.5M in direct Saskatchewan spending. This brings $17M each year into the provincial economy that would not come without the industry being active and competitive enough to access these funds.

There is a strong correlation between provincial, federal and private funding. Generally, the higher provincial spending, the higher the leverage from other sources The converse is also true, if the level of provincial support is reduced, production volume will go down proportionally. This was clearly shown when in 1996 the province of Alberta eliminated provincial funding to the industry. Production volume dropped immediately from $150M in 1996 to $37M in 1997. Alberta production remained low until the province chose to reverse this trend by restoring provincial funding.

Saskatchewan Spending

All expenditures made by Saskatchewan producers are not made within the province. Between 1999 through to 2002, Saskatchewan spending averaged 63% of total production spending. Funds are spent outside the province on non-resident labour and for a variety of products and services including: film lab services, equipment rentals, props and wardrobe purchases. In addition, filming sometimes requires locations outside the province.

Table 12. SFETC Tax Credit Data Summary of Averages 1998 – 2003

	$Millions	% of Total Volume
Total volume per year*	37.5M	100%
Total Sask Spend	23.5M	62.8%
Total Labour	20.8M	55.3%
Total Sask Labour	11.8M	31.1%
Total Deemed Labour	3.4M	9.2%
Total Rural bonus	.26M	.7%
Total SFETC tax credit	5.4M	14.3%
Total provincial funds (includes SFETC)	6.5M	17.4%
Total federal / national financing	8.3M	22.0%

*Production volume for 2003 is not fully tabulated

Since 1995, various local businesses have emerged or adapted to serve the needs of film production. Other than a film laboratory for the processing of exposed film, the province has sufficient lighting electrical and grip equipment through local suppliers. Lab services are available in Edmonton, Vancouver and Toronto.

The film and television industry has a significant impact on complementary business in the province through the purchase of services and supplies. Hotels, car rental agencies, travel agencies, lumberyards, and insurance companies are a few examples of companies benefiting from film business in the province. The total economic impact in Saskatchewan of operational expenditures (non-labour) is $18.85M each year. In addition, about half of the 798 jobs created are in related industries.

Economic Diversification - Relationship to Other Sectors

The Regina Regional Economic Development Authority (REDA) has identified the Film, Television and Interactive Media as an economic cluster. This involves the coordinated efforts of industry representatives as well as suppliers, educators and agencies who have an interest in the growth of this sector. The REDA received a grant through WEPA in March 2004 to support development of the film cluster.

Tourism
The film industry can be of great value to tourism by raising interest in Saskatchewan culture and locations. It is strange but true that a gas station in the tiny town of Roleau is now a tourist destination. Moreover, the popularity of *Corner Gas* has increased the interest of people from across Canada in the culture and scenery of Saskatchewan.

Cultural Industries
The film and video industry is part of the Saskatchewan Cultural Industries Development Council. This industry based council aims to foster the cultural industries in Saskatchewan; provide policy direction to government; coordinate cultural industry development strategies; and create awareness of how the cultural industries positively benefit Saskatchewan's economy. There are interrelationships between film and the other cultural industries, especially with sound recording and book publishing where companion products may be produced and expanded work opportunities for Saskatchewan residents.

Green Economy
The film, video and multimedia industry is one that offers economic diversification with minimal risk to the natural environment.

Communications and Advertising
Provincial crown corporations, government agencies and departments comprise a large portion of the client base for commercial service production including, training videos, commercials, and multimedia products that fulfill program and communications needs of the public service. Before the local production industry developed, this work was contracted to out-of-province companies and the economic benefit of that spending was lost. Now most of this work is produced in Saskatchewan and public funds stay in the provincial economy.

Media Arts Education
A number of high schools throughout the province have significant "film/media" programs. These programs are attractive course options for young people and offer introductory opportunities that can lead to a variety of media related careers. Certainly the best known is the film production program at Luther College in Regina. However other school jurisdictions also offer film/video related programs such as the film production at the Yorkton Regional High School. Weyburn High School, Estevan High School and schools in the Regina Separate School Division have a partnership arrangement with a private company, New Media Campus. Students in these schools can take animation classes in high school that are given credit towards the animation certificate awarded through programs delivered by the New Media Campus. Campbell Collegiate and O'Neill High School in Regina offer Computer Production Technology (CPT) programs and Campbell students have access to a production studio and sound stage facility in the school.

The following statistics indicate the most common number of courses offered, the number of students enrolled, and the number of participating schools delivering film/video/drama related courses of studies throughout the province.

Table 13. Summary of Media Arts Education Opportunities in secondary schools 2002-2003		
Course	# Schools	# students
Media studies 20	32	3517
Theatre Arts 20 & 30	9	(20) - 219 (30) - 87
	(10) -5	211
	(20) -8	149
Communication Production Technician 10, 20, 30	(30) - 3	30
Computer Animation 20L	2	15
	(10) - 4	222
	(20) - 4	110
Graphic Arts 10, 20, 30	(30) - 4	63
Television/Communication Arts 20L	2	33
	(20) -1	19
Advanced Theatre Arts 20,30	(30) - 1	16
	(10) - 78	2195
	(20) - 66	1229
Drama 10, 20, 30	(30) - 79	1158
Total Students		9,273

Post-Secondary Media Arts

The University of Regina Department of Media Production and Studies (formerly Department of Film and Video) is a growing program, with 150 majors enrolled in 2003, and 15-20 graduating from the Bachelor of Arts program each year. The program includes film, video, audio and multimedia production and theory. The department has recently collaborated with the Engineering Department to develop the New Media Studio Lab, a research facility for artists and scientists, with facilities for research in multi-channel specialized audio, multimedia and visualization (virtual reality). The University of Regina Visual Arts Department, Theatre Department and School of Journalism also incorporate related courses of study in their respective programs.

The First National University of Canada (FNUC) introduced a new program in the Department of Multimedia Indian Communications, in addition to its existing Indian Arts program. The program offers courses in new media and 3-D animation, as well as on-line learning options.

In Saskatoon, the University of Saskatchewan incorporates media arts into its Visual Art program. A new Media Centre is under development, designed to support academic departments, especially Fine Art, by providing access to video, audio, and new media resources to assist with media projects.

In partnership with the motion picture industry, SIAST developed an Applied Certificate Program in Film, Video and New Media. The program includes four core introductory courses in set safety, set protocol, freelance business skills, and set crisis management. The program also includes 150 hours of on-the-job training in film production. These courses are useful as an entry point for those interested in working in the industry and are considered essential courses for anyone new to the industry. SIAST also offers an Applied Certificate Program in Web Site Design and Development.

New Media Campus

A privately owned post-secondary education facility located in Regina and Saskatoon that offers training in multimedia and 3D animation. Graduates of New Media Campus are prepared for careers in graphic arts, media, film and entertainment. The Regina campus is located in the Canada-Saskatchewan Production Studios and is home to the 3D Animations Studies program. The Saskatoon campus offers in-class multimedia teaching and operates an on-line multimedia program. In 2003 thirty students graduated from new media campus programs.

5.2 NET COST TO GOVERNMENT

Net cost to government, of the SFETC program is close to zero.

On an average annual basis the level of economic activity stimulated by the SFETC funded productions generated slightly less tax revenue than the SFETC program paid out. Over the six years the SFETC has been operating, the program has paid out $31.63 in employment tax credits. Economic activity stimulated by the industry generated $28.86M in provincial tax revenues. The net cost to treasury over the six years of the program is $2.77M or $0.46M annually.

The methodology used to assess economic impacts focused on the direct and indirect impacts of activity in the film industry. While some economic impact methodologies also include an induced impact, the methodology used in this report did not include induced impact, as it could not be reliably measured. Even so, it is clear that induced impacts made by the industry increase the benefits of having the industry in Saskatchewan.

The following table outlines a year-to-year cost benefit analysis for the SFETC Program. The total cost of government of all incentives, is not included in this analysis as these other contributions have specific mandates and were not made based on an expectation of returns to treasury.

Table 14. Net Impacts of SFETC for the Saskatchewan Government ($ Millions)

Fiscal	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	Average
Total Production Volume	$52.16	$17.13	$48.61	$24.54	$42.84	$39.92	$37.53
Total Economic Impact	$43.91	$20.64	$53.96	$29.09	$44.79	$37.64	$38.34
Total Tax Impact	$5.36	$2.68	$6.45	$3.87	$5.57	$4.93	$4.81
SFETC	$5.82	$2.41	$6.74	$3.44	$6.67	$6.55	$5.27
SFETC as a % of total Production	11.16%	14.07%	13.87%	14.02%	15.57%	16.41%	14.04%
Cost Benefit to Government (negative)	($0.46)	$0.27	($0.29)	$0.43	($1.10)	($1.62)	($0.46)

Because Saskatchewan expenditures have a more significant impact on the economy, there is a corresponding higher tax impact for years in which there is less leakage from the Saskatchewan economy. In years that the industry has been operating at full capacity, the leakage increases because of the need to import some labour and goods and services. Consequently the relative economic impact of activities is higher for, years in which the industry is running under capacity.

In years with higher the production volumes, there is lower the relative economic returns due to limited local production capacity.

The Saskatchewan production capacity is not yet at a level that can support the peaks in volume that occur. As a result, the rate of deeming and out-of-province spending increase during high production years, causing higher levels of leakage from the provincial economy. In the summer of 2003 there were five major productions being shot simultaneously. This was a strong production year but also beyond the local production capacity to support.

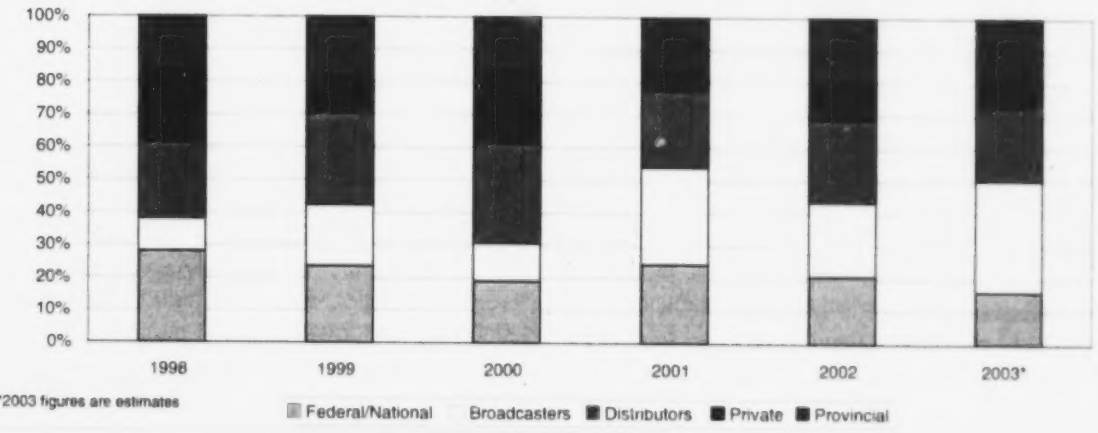
6.0 Financing Saskatchewan Film and Video Production

6.1 SOURCES OF PRODUCTION FINANCING

To compete for the various funding sources available, Saskatchewan producers must offer high quality creative programming with strong international market potential. A high level of Canadian content is needed to access national funding, yet the product must also be appealing for the international market to enable financial success.

The chart below shows the portion of Saskatchewan production budgets financed by federal, provincial, broadcaster and other private funding sources between 1998 and 2003.

Figure 3: Sources of Funding for SFETC Productions



6.2 PROVINCIAL FUNDING

The provincial government supports the film and television industry through a combination of programs and incentives. Provincial support includes direct funding to film and television projects via the Saskatchewan Communications Network (SCN), Saskatchewan's Film Employment Tax Credit (SFETC), development and equity funds through SaskFILM, and indirect support through other provincially funded agencies such as Job Start/Future Skills, the Saskatchewan Arts Board, and the Saskatchewan Lotteries system. This section provides an overview of each of these provincial programs with performance assessment and recommendations specific to each.

SaskFILM

Saskatchewan Film and Video Development Corporation (SaskFILM) is a non-profit funding agency whose mission is to enable the film, video and new media industry of Saskatchewan to continually enhance the quality, quantity and marketability of its products and resources.

With an annual budget of $1M (reduced to $900,000 in 2004), SaskFILM offers the following main programs and services:

- Development loans for Saskatchewan producers, writers and filmmakers
- Filmmakers program
- Equity investments for dramatic and documentary projects
- Market and festival travel assistance

- Location services and promotion of Saskatchewan as a film production
- Administration of the Saskatchewan Film Employment Tax Credit (SFETC) since 1998
- Administration of the Canada-Saskatchewan Production Studios (Soundstage) since 2002

Development loans are non-interest bearing and secured against the project. Loans are conditional on having a financial development commitment by a broadcaster or distributor.

The Filmmakers Program offers non-interest bearing loans to Saskatchewan filmmakers. Projects are assessed on the significance of their cultural and artistic merit, the opportunity for professional development and employment they provide to the creators, and the extent to which they advance the filmmaker's career.

Equity investments are made in productions which are of significant cultural and/or economic benefit to the province of Saskatchewan and where there is potential for recoupment. SaskFILM contributes to established maximums, conditional on financial commitment from a broadcaster or distributor.

Market and festival travel assistance is provided through bursaries to Saskatchewan-based producers to travel to approved program markets or festivals.

New Media Program
The SaskTel New Media Program was initiated by SaskTel and administered by SaskFILM between 1999 and 2001. This program provided $800,000 over three years to foster the new media industry in Saskatchewan. The Fund offered development loans and equity investment in new media product and provided marketing and distribution assistance to Saskatchewan new media producers. The program is now complete.

Documentary Fund
SaskFILM established the documentary fund in 1999 and has kept funds to this program stable. Saskatchewan has a well-established reputation in documentary production and this fund helps build on this strength.

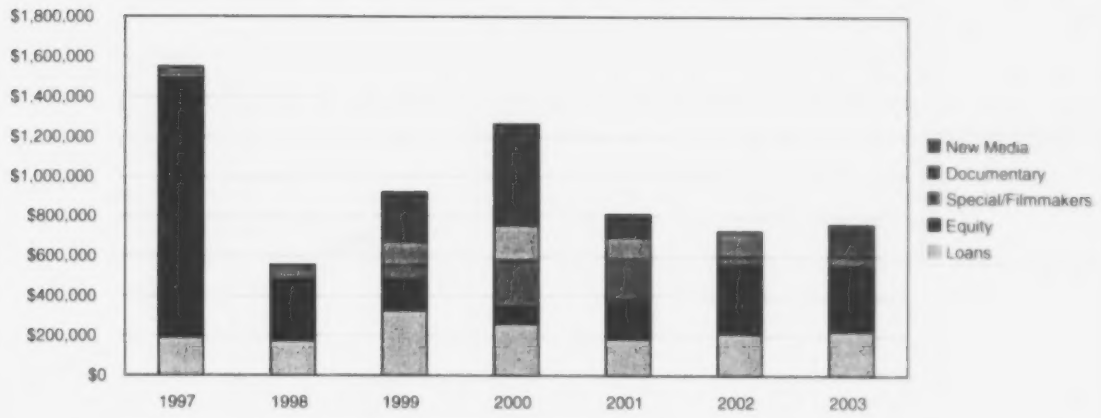
Special / Filmmakers
Support for the Filmmakers Program and special projects intended primarily as workshop or development productions has dropped by 12% since 1997. Support increased in the lean production years as special development projects like the Winter Initiative and the Low Budget Feature Program were in part intended to keep crew employed through slumps in production. This increase was possible due to the reallocation of $300,000 from stale-dated projects that was made available in 2000 and 2001 to development and equity projects.

Loans
SaskFILM has increased support to development loans by 27% since 1997. While the loan fund is still quite modest compared to many other jurisdictions, the loans provide important support, especially to development of indigenous culturally significant projects.

Equity Financing
SaskFILM equity investments have dropped 76% from 1997 levels. To some extent, the SFETC has compensated for this drop. In other cases, the drop in equity funding has left a gap in production financing that is not replaced by SFETC funds.

In recent years SaskFILM has increased equity investments at the expense of development initiatives in order to have the capacity to invest in marketable projects. There has also been a shift over time of SaskFILM criteria for equity investment; the focus now is on completing project financing for projects that show promise of returns, whereas the earlier focus was more on development of indigenous stories and projects.

Figure 4: SaskFilm Programs 1997 - 2003



Locations Services

In the role of Film Commission for the province of Saskatchewan, SaskFILM provides script breakdown, library photo services, scouting services, as well as ground transportation and accommodation during location scouting. The locations department also promotes the province as a film location as various markets in Canada and internationally. The increase in production volume is directly related to the efforts of SaskFILM to promote the province and facilitate relationships between Saskatchewan producers and international production partners. SaskFILM reports that on location inquiries have been increasing and the sound stage was fully booked from April to October 2004.

SaskFILM Revenue

Revenue recoveries include repayment of loans and recoupment on equity investments. The revenue from recoveries has increased 66% since 1997, from $70,699 to $101,704, but this is still a small portion of revenue. SaskFILM is getting some improvement on returns for specific projects and reports to have missed excellent investment opportunities. The prospect of improved returns is not strong as the level of investment through equity financing is so limited.

In 2003 SaskFILM was certified as an Independent Production Fund by the Canadian Radio-Television and Telecommunications Commission (CRTC). This certification allows SaskTel, as a recognized Broadcast Distribution Undertaking, to contribute a portion of their gross revenues to the Saskatchewan film and television industry through SaskFILM. SaskTel may direct 20% of the required contribution to the Canadian Television Fund to SaskFILM for equity investments in indigenous Saskatchewan productions. SaskFILM anticipates revenue of $400,000 annually from this agreement. Funds are dependent on gross revenues earned by SaskTel.

Saskatchewan Film Employment Tax Credit

The Film Employment Tax Credit Act was passed by the Government of Saskatchewan in the spring of 1998. The program was designed to increase industry production levels and support the production of indigenous Saskatchewan film, television and new media products. The program was a response to the need to "level the playing field" for the Saskatchewan film industry which is in competition with film industries supported by other provinces. The rationale for the program is based on the idea that there would be minimal impact on the provincial treasury as the credit is based on Saskatchewan resident labour and much of the cost of the program would be returned in income and other taxes. The extent that the industry levers other investment to be spent in Saskatchewan is also key to the rationale for the program. Finally, the SFETC supports the indigenous industry in Saskatchewan as a means to cultural expression.

The SFETC program has been effective in increasing production volume. The six-year average for production volume prior to 1998 is $15M per year, in the six years after the tax credit was introduced; the average has been $39M (including the 2003 projection of $47M). SFETC production levels have increased an average of 6% in the five years since the program was introduced.

The SFETC encouraged the development of 193 films, video and new media projects that have been produced through the program since 1998. In a typical year, 32 projects will be supported by the SFETC including 16 documentaries, four feature films and two television drama series.

Saskatchewan's tax credit offers comparable or better levels of support to most other jurisdictions and this compensates to some extent for having less attractive incentives in some other respects. However, Saskatchewan's competitive position recently decreased when Manitoba announced additional incentives in April 2004.

The SFETC Act provides a 35% tax credit on eligible Saskatchewan labour costs for film and television productions produced by Saskatchewan companies. Labour is capped at 50% of the production budget. The Saskatchewan tax credit has an attractive "Waiver of Residency" provision whereby non-Saskatchewan residents may be deemed as eligible labour when qualified Saskatchewan residents are not available. In addition, the program provides for a rural bonus of 5% of total Saskatchewan expenditures for productions based 40 kilometres outside of Regina and Saskatoon. In this case, the maximum credit is increased from 17.5% to 22.5% of the total production budget.

Use of the SFETC is Increasing

The portion of production budgets supported by the SFETC has increased from 11% to 16% since 1998, an increase of 50%. Contributing to this increase is a 77% rise in deemed labour contributions, from 6.7% in 1998 to 11.9% in 2003.

Table 15 below shows total production budgets for SFETC productions compared to the amount contributed by the SFETC program to those projects. The increased use of the SFETC can be explained in part by an increased use in the deeming provision in peak production periods, and by the probability that it took producers some time to learn how to maximize the tax credit offered.

Table 15. SFETC Program Summary

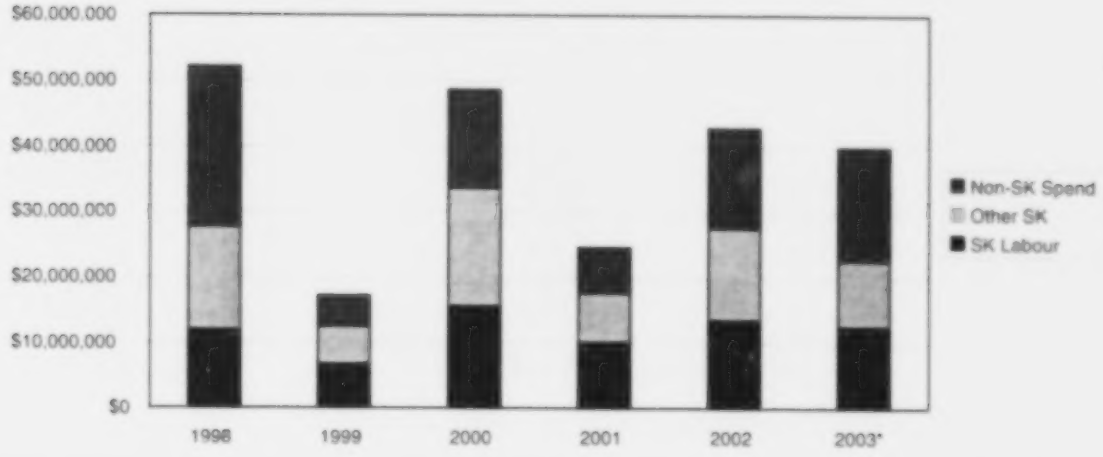
	1998	1999	2000	2001	2002	2003*	Avg.
Total Production Volume (Expenditures)	$52.16M	$17.13M	$48.61M	$24.54M	$42.84M	$39.92M	37.53M
Total SFETC Support	$5.82M	$2.41M	$6.74M	$3.44M	$6.67M	$6.55M	5.27M
SFETC Support as a % of Total Production Cost	11.16%	14.07%	13.87%	14.02%	15.57%	16.41%	14.04%
Total # of Projects Supported	41	24	36	33	39	20	39

* Year-to-date numbers. If the SaskFILM projection for 2003 of $47M is included, the average is $38.7M

Level of Saskatchewan Spending

As noted in Figure 5 below, non-Saskatchewan spending totaled $25M in 1998, or 47% of total production spending. In addition, year-to-date numbers for 2003 suggest non-Saskatchewan spending of $17M, or 43% of total production spending by Saskatchewan based film and television producers. The portion of Saskatchewan spending is better in the other years and tends to improve when total production volume is low. The average percentage of total volume spent in Saskatchewan on SFETC projects since 1998 is 64%.

Figure 5: Total Saskatchewan Spending by SFETC Productions



The SFETC is designed to encourage Saskatchewan spending on resident labour. The current program requires least 25% of the total labour to be Saskatchewan labour. As deemed out of province labour is also considered eligible labour, the Saskatchewan spending could be improved by limiting the level of deeming allowed, and by increasing the minimum percentage of Saskatchewan labour required.

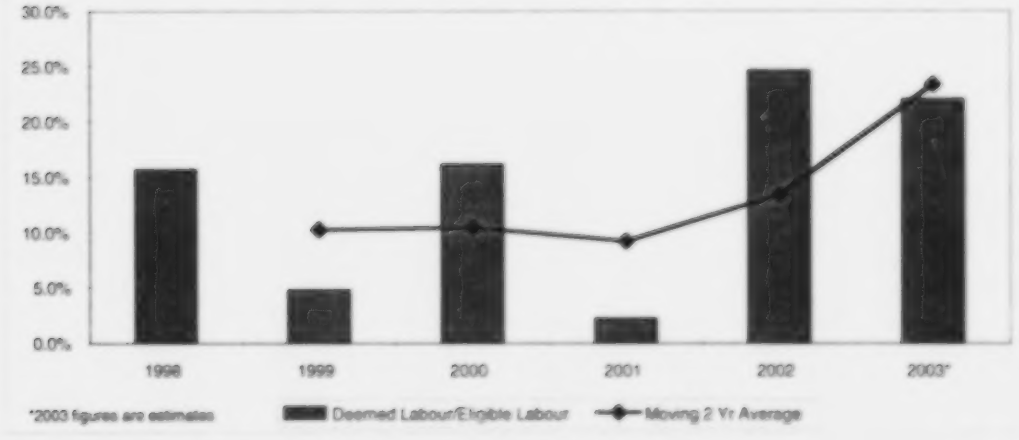
There is currently no minimum requirement for number of production days that must occur in the province in order to be eligible for the SFETC. It is possible for a production to be shot entirely in another province and still access the SFETC as long as there is 25% Saskatchewan labour employed on the production. In these cases, a Saskatchewan production company and post-production services may benefit, but the returns to the province are significantly diminished. There are a few cases where this has occurred, causing very low Saskatchewan spend levels relative to the value of the SFETC contributions.

Deeming Provision and Saskatchewan Labour

The "Waiver of Residency" provision, referred to by the film and video industry as the "deeming provision", was included in the Act for the specific purpose of assisting the accelerated development of Saskatchewan's base of qualified crew and other professionals to handle large-scale productions. The deeming provision has a sunset clause in the Act that was recently extended from December 31, 2003 to December 31, 2004. The extension was approved based on evidence provided by SaskFILM that the deeming provision has been instrumental in attracting larger productions to Saskatchewan, particularly in the feature film genre. These films tend to have considerably larger budgets and larger workforce demands than other projects, which makes training and development a key element in the project success.

The intent of this provision is to assist in the development of Saskatchewan's base of qualified crew and other professionals within the industry. Given this, one might expect the share of deemed labour to total eligible labour (Saskatchewan labour plus non-resident deemed labour) for productions applying for tax credits to decrease over time as more and more Saskatchewan residents become qualified to work (thus reducing the need for production companies to look outside the province for qualified crew). In fact, the deeming provision has a sunset clause based on this expectation. However, over the period 1998 through to 2003 this does not appear to be the case. In fact, as the table below shows, there is an upward trend in the share of deemed labour to total eligible labour over the last few years.

Figure 6: Deemed Labour as a Percentage of Eligible Labour



In 1998 deeming claims represented 7% of production volume and this has increased to 12% in 2004. The value of claims has risen 71%, from $3.8M in 1998 to $6.5M in 2002. While deeming may have contributed to the building of the skill base, allowing a high number of Saskatchewan people to be employed as production levels rise, the rate of deeming as a portion of total production volume is also increasing, suggesting that Saskatchewan productions are relying more on the deeming provision to finance productions now than in 1998.

The increase in deeming claims is also due to the occurrence of overlapping productions in the 2002 and 2003 seasons. When this occurs, the need to import labour rises. As there is currently no cap on the amount of deeming allowed, this obligates the province to invest at a higher level on productions that have less economic benefit to Saskatchewan. Some limits on the deeming allowed would potentially cause some production to not come to Saskatchewan, but it would help ensure that the production that does occur includes deeming where most needed to support training plans. Industry representatives including SFPA and labour organizations agree that some cap on the amount of deeming allowed per production would be appropriate. A reduction in the limit on deeming per position could also be considered.

Location of Production and the Rural Bonus

The SFETC includes a rural bonus intended to encourage production spending in areas throughout the province and to attract productions to unique Saskatchewan locations. It allows a 5% bonus on total Saskatchewan spend for productions based at least 40km outside of Regina and Saskatoon. To be eligible, at least 50% of shooting days and the production office must be located outside of this range. The rural bonus can increase the maximum tax credit from 17.5% to 22.5% of total production.

SFETC productions supported through the SFETC have been shot in 11 Saskatchewan communities. Most are shot in Regina (75.6%) followed by Saskatoon (13%), and Moose Jaw (4.7%), Regina Beach (2.1%) and Balgonie (1.6%). Of 193 SFETC productions, 22 have used the rural bonus.

Of the 193 SFETC productions, 85% were shot in Regina and nearby communities. Moose Jaw benefits the most from proximity to Regina and access to the rural bonus; nine productions were shot in Moose Jaw. Fort Qu'Appelle and Balgonie have also accessed the rural bonus on more than one occasion. Roleau and Regina Beach each have had one production. Roleau will continue to be a film location for the renewed television series *Corner Gas*. Saskatoon had just 12% of total SFETC production and there are no benefits to communities near Saskatoon. The communities of Waskesiu, La Ronge, Muenster and Prince Albert have had one production each.

The rural bonus assists with financing for productions using unique Saskatchewan locations such as the Qu'Appelle Valley for *Big Bear*, Waskesiu for *Without Malice* and Muenster for *Solitude* as there are extra costs are assumed by the production in order to use in these locations. For communities near Regina, the rural bonus is having the unintended result of drawing Regina-based production to surrounding locations in order to access the bonus. In some of these cases, if there were no rural bonus, these productions may have occurred in Regina and the total cost of production would have been reduced. It is also likely that some productions may have not been produced without the rural bonus financing.

The rural bonus does not draw production to Saskatchewan locations on its own. The location itself is the more important factor: people will go to Moose Jaw because it is a unique location; the rural bonus is an added incentive. The rural bonus has unexpectedly added to the critical mass of attractive film location features offered in the Regina area. Regina has the benefits of city services, the airport, the sound stage and available crew. These benefits in proximity to attractive unique locations like Moose Jaw and the Qu'Appelle Valley, have resulted in 85% of SFETC production taking place in the Regina area. This shows the critical mass created by available people, sound stage, city services and proximity of unique locations work together to provide an attractive package that encourages further investment and growth.

The involvement of the REDA film cluster shows the recognition the city is giving to this industry. Whether intended or by a combination of circumstances, a film industry development strategy that promotes the development of Regina as a production centre is in effect. The Saskatoon-based production community does not have the advantages of Regina or the benefit of the rural bonus. Productions are less likely to go to Saskatoon as a result, even though the city does have some assets.

Rural Bonus Adjustments

As noted later in this report, Saskatchewan's rural bonus is particularly attractive as it is calculated on total Saskatchewan spend, rather than on total eligible labour. An adjustment to base the bonus on eligible labour would lower the value of the claims but would also reduce the attractiveness of the incentive. A wider range requirement (e.g. 60 km) would reduce access by communities in close proximity to Regina, but would weaken the film cluster that is emerging in the Regina area and possibly compromise some valuable productions. Allowing the rural bonus to include Saskatoon would help balance the development of the Saskatoon-based industry.

Canada-Saskatchewan Production Studios[1]

In the fall of 2002 the Canada-Saskatchewan Production Studios (CSPS) opened for business. This was after the peak production season for the 2002 year. The facility has had just two full production seasons in 2003 and 2004 to show performance. So far, the CSPS has been used for four feature films, two movies of the week, a made-for-television docu-drama, three television series (all of which were shot for two seasons), a low budget feature, a television special and a number of commercials. In addition, the facility has been rented for meetings, training workshops, and various other purposes. The facility has been key in bringing activity to the province. The producers of *Corner Gas*, *Tideland* and *Just Friends* (which is the biggest production ever made in the province), have all cited CSPS as an important element of what attracted them to Saskatchewan.

The facility is too new to identify reliable performance trends; however SaskFILM reports that the sound stage is already fully booked for the 2005 production season, from April to October and a number of major productions, including two feature films and three renewed dramatic series (*Corner Gas*, *Moccasin Flats* and *renegadepress.com*), are on the production slate.

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[1] There was a significant change in financial status of the Canada-Saskatchewan Production Studios in 2005 in that the bank debt of the facility was paid out. While the balance of the review focuses on activities and trends up to June, 2004, this section has been revised to reflect developments in 2005.

This 84,000 square foot facility was created through a partnership of three orders of government. Unlike other production studios in Western Canada, this is a purpose built facility, designed to accommodate the special technical and sound proofing needs of film, new media and video productions. The mission of the CSPS is to provide a facility for utilization by the indigenous film, new media and related industries. The facility is also available for co-production, offshore filming, and post secondary and related industry learning opportunities.

The CSPS building and lands are owned by the province, managed through Saskatchewan Property Management Corporation (SPMC). SaskFILM administers the production studios program under a three-year operating agreement between SPMC and SaskFILM. The facility was financed with a $10.9M loan from SPMC, which was to be repaid over a seven-year period. The federal government, through Western Economic Diversification, and the provincial government contributed $3M each to the facility construction and the City of Regina agreed to forego $5.5M of provincial transfers in lieu of property taxes over seven years as their contribution.

In 2005, SPMC became a line department of government under the name Saskatchewan Property Management (SPM). As part of the transition, all debt was transferred to the Province as part of overall government debt. As a result, the loan taken by SPMC was paid out and the financing of the debt has become the responsibility of the Provincial Government as part of its overall debt management strategy.

For the operations of CSPS, SaskFILM has a CSPS Reporting Committee comprised of the financial stakeholders in the facility. This committee advises the SaskFILM board with regard to the financial and operational status of the facility.

In 2003 there were 62 production studios operating in Canada. Some, like Saskatchewan's, are purpose built production studios and others are converted hangars or warehouses. Before the sound stage was built Saskatchewan had difficulty marketing itself as a location for offshore production due to the lack of proper sound stage facilities in the province. At that time, Saskatchewan was the only production center in Central and Western Canada that did not have a sound stage facility. The lack of proper sound stage facilities was believed to be a hindrance to the growth potential, especially in the areas of feature film and series production.

In response to industry advocacy and supported by a feasibility study commissioned by the Regina Regional Economic Development Authority (REDA), the decision to support a sound stage facility was made by all three orders of government. The facility was expected to be fiscally neutral with respect to the general revenue fund for costs including capital financing, interest payments and ongoing costs. This expectation has proven to be overly optimistic.

CSPS Financial Analysis

The CSPS costs have regularly outstripped revenues, even in years such as 2004-05, where it operated at about 69% capacity. As part of this review, an analysis of CSPS history and potential has been conducted (see Table 16). Because of the way that film production works, it is unlikely that CSPS could ever operate at 100% capacity. The scheduling of spaces would simply be unmanageable. A best case scenario for the facility is that it would operate at 90% of capacity. Based on revenues for 2004-05 fiscal year, where the facility operated at 69% when all costs are accounted for, the best case scenario would still see CSPS lose between $600K and $700K.

It may be that this is an acceptable trade-off. Assuming a constant percentage of overall production would use CSPS, to achieve the best case scenario, film industry production volumes would have to grow to $84M. The estimated increased cost of the Film Employment Tax Credit should production volumes increase to that level would be $2.7M. Because the industry does not currently have the crew capacity to support this level of production, most of the tax credits would be spent on non-residents of Saskatchewan who have been "deemed" to be residents to fill positions that can't otherwise be filled. In the short term, and until the capacity of the crew base of the film industry increases, it may be more financially viable to subsidize CSPS.

There is no doubt that the sound stage is a critical investment in the infrastructure that supports the overall long-term development of the industry. It responded to the needs of a developing industry; and solved a problem of what to do with the deteriorating College Avenue property owned by SPMC, and the underutilized CBC facility. The City of Regina also had a keen interest in seeing the facility built in the city. These reasons motivated the decision to build the CSPS and need to be considered when evaluating its success.

Table 16. Canada-Saskatchewan production Studios Financial Profile					
	2002/2003	**2003/2004**	**2004/2005**	**2005/2006 (est)**	**Potential**
SaskFILM Revenue from Studios	**$148,888.44**	**$196,559.94**	**$551,077.21**	**$400,000.00**	**$718,796.00**
Total SaskFILM Expenses	$8,035.98	$188,948.51	$271,238.32	$308,032.00	$348,734.00
Net Transferred to SPM	**$140,852.46**	**$7,611.43**	**$279,838.89**	**$91,968.00**	**$370,062.00**
SPM rental revenue other than Studios	$7,026.00	$160,310.00	$142,459.00	$157,568.00	$157,568.00
Total CSPS Revenue	**$147,878.46**	**$167,921.43**	**$422,297.89**	**$249,536.00**	**$527,630.00**
SPM Operating expenses	$419,535.00	$482,002.00	$366,222.00	$366,222.00	$366,222.00
Net Operating Revenue (Loss)	**($271,656.54)**	**($314,080.57)**	**$56,075.89**	**($116,686.00)**	**$161,408.00**
Amortization	$186,270.00	$164,772.00	$168,609.00	$168,609.00	$168,609.00
Allocation for Property Taxes	$593,219.00	$593,219.00	$593,219.00	$593,219.00	$593,219.00
Total Capital Expenses	**$779,489.00**	**$757,991.00**	**$761,828.00**	**$761,828.00**	**$761,828.00**
Net Profit	**($1,051,145.54)**	**($1,072,071.57)**	**($705,752.11)**	**($878,514.00)**	**($600,420.00)**
Write downs due to business failure of client/tenant		$740,992.00			

Table 16: A number of assumptions have been built into this table. The include:

- The bank financing of CSPS was paid out in 2005 and is now carried as general government debt. A fair representation of the cost of financing this debt is the value of the waiver by the City of Regina of a government grant in lieu of taxes (which is how property taxation for provincially owned buildings is addressed). The waiver expires in 2009, at which time the property will have to accommodate the expense in any case.
- The financial model does not include any revenue or expenses for the CBC portion of the CSPS facility.

Saskatchewan Communications Network (SCN)

SCN is the regional, public broadcaster that delivers cultural, informational and educational programming and acts as an enabler for the regional film and television industry. The SCN Broadcaster Network delivers a wide variety of informational television programming that highlights Saskatchewan and Canadian culture. SCN has re-defined the direction of the network to include more Saskatchewan and prairie-focused programming. This has led to an increase in the number of Saskatchewan productions supported by the network. SCN is considered a crucial component for the Saskatchewan film and television industry due to its ability to license projects for broadcast. SCN's modest license fees trigger other investment for Saskatchewan film and television projects from other public and private funding sources. SCN is often the first broadcaster or institutional supporter involved financially with a project. The involvement of SCN in a project increases the interest from other broadcasters in Saskatchewan projects. Only four other provinces have provincial education broadcast networks (B.C., Alberta, Ontario,

and Quebec). The centralization of the CBC and other national broadcasters has made the role of SCN even more critical to Saskatchewan producers.

SCN has been involved in over 500 Saskatchewan projects since it was created in 1989. SCN is particularly important for the Saskatchewan industry in supporting documentary and educational programming. While these kinds of production tend to have smaller budgets than drama productions, in total, they are as significant in terms of the economic stability they bring to most Saskatchewan production companies. This production provides steady ongoing work for many in the industry and the growing number of projects available for distribution is contributing to the financial stability of production companies in the province.

The 2004 SCN Strategic Plan builds upon the vision of SCN as a pre-eminent Prairie and Northern storyteller that embraces Pimātsiwen: the Cree word for life in all its harmony. The role of storyteller has traditionally been one of the most important roles in the community. The storyteller's tales were high in educational value, conveying the history and cultural values of the community and its people. SCN continues the storytelling tradition through the two pillars of service: SCN's Broadcast Network and Distance Learning Network. In 2004/2005 SCN plans to increase support to Saskatchewan productions, encouraging more Saskatchewan stories to reach audiences.

While drama is often regarded as the most influential genre in terms of making a cultural impact, the hundreds of Saskatchewan stories that have been told and conveyed through documentaries and produced since SCN was formed have created an invaluable archive of the province that will inform and inspire Saskatchewan people for generations.

The following represents recent trends in SCN programming:

- SCN has licensed 154 Saskatchewan television projects since 1998, including 107 documentaries, 10 shorts, 14 regional, 13 drama and 10 children's programs. Of these, 105 (69%) are considered to have significant Saskatchewan content in terms of subject, story and perspectives.
- Programs cover a range of topics considered of relevance to Saskatchewan people including: 30 social awareness/regional interest; 29 history; 24 arts/humanities; 15 fitness/leisure/health; 12 Aboriginal; 12 science/technology/environment; 10 feature films; nine business/current affairs; seven schools; six drama/shorts/new ideas and specials.
- SCN has supported the development of the local film industry and this commitment is demonstrated in an increased portion of resources going to Saskatchewan projects. The percentage of SCN pre-license and production development funds spent on Saskatchewan production has increased from 64% of total spending in this area in 1998/1999, to 74% in 2003/2004.
- The number of Saskatchewan productions compared to total productions supported has remained stable from year to year. This shows that there is a reliable commitment from SCN to support Saskatchewan production and that the value of these productions is increasing.
- The value of productions is even more evident when we look at acquisitions. SCN acquisitions of Saskatchewan programs has increased from 1.2% to 7.9% of total funds spent on acquisitions and 3.2% to 19% of all programs acquired.
- SCN's role in the development of emerging producers have increased in recent years, while the focus of SMPIA and SaskFILM seems to have been on the more established producers interests.
- SCN is considering expanding the network into Manitoba where there is no provincial educational broadcaster. This prospect holds potential to strengthen SCN and increase the value of the network to Saskatchewan's film industry.

Investment Saskatchewan Inc.
Investment Saskatchewan Inc., a wholly owned subsidiary of Crown Investments Corporation (CIC), strategically invests in specific industry sectors of the economy where wealth and employment growth potential are significant, and where Saskatchewan has identifiable strengths and can be globally competitive. In assessing potential projects, Investment Saskatchewan Inc. evaluates business plans against a number of criteria including consideration for the commercial viability of the investment and the potential to show an acceptable return.

In 1997, cultural industries was one of six key sectors targeted by SOCO for investment. This is no longer the case, although information technology is identified and Investment Saskatchewan is particularly interested in the area of new media technology and would like to attract a new media company to Saskatchewan that would be positioned to hire new media program graduates. The targeted sector approach is a consideration for Investment Saskatchewan but does not preclude investment in other industries if the investment proves to be commercially viable and offers other strategic inducements. Investment Saskatchewan only considers investments over $3M and is particularly interested in attracting strongly positioned companies to relocate to Saskatchewan.

From 1995 to 2003, investments were made in the film industry from SOCO and CIC for a combined total of $13M. Investments include loans and equity. Investments were made in six film projects (one-time investments) and in six film companies (usually several investments over time). Most of this investment ($8.2M) was in the form of repayable loans. In 2001 a $4.5M equity investment was made in the motion picture company Minds Eye Entertainment Ltd. The remaining $0.3M was made in project equity investment in 1996.

When the SOCO portfolio was transferred to Investment Saskatchewan (formerly CIC Industrial Interests Inc.), all film investments under $3M were outsourced for management to the private sector. This included all film investments with the exception of Minds Eye Entertainment Ltd., which was in excess of the $3M threshold. The private sector managers consider new investment in film projects under $3M while Investment Saskatchewan considers film investments only in tax credit financings and equity investments in film companies with strong records of accomplishment that meet the criteria for investment.

Returns on SOCO/CIC film projects have been approximately minus 3.5% compared to an 8% average return over the last ten years on the overall Investment Saskatchewan portfolio. Based on this performance, investment in the film industry projects is considered by Investment Saskatchewan to be a weak investment and performing below average. There has been nearly $6M in allowances and write offs to date. With the exception of Minds Eye Entertainment Ltd., the remaining outstanding amounts are all loans and the performance of the industry in loan repayment is good; $4.3M has been returned to date in principle and interest payments.

Investment Saskatchewan will consider providing bridge-financing loans for film companies and will continue to assess participation in film companies on a case-by-case basis. Regina-based Partners in Motion is highlighted in the Investment Saskatchewan investment portfolio and is an example of the kind of film company CIC will consider. Partners in Motion employs 36 people and was the 2002 ABEX finalist for "Job Creation" as well as the 2002 Paragon Award winner for "Export Achievement".

The $4.5M equity investment and outstanding loans in Minds Eye Entertainment has raised some public concern due to the recent difficulties experienced by this production/distribution company. The public investment in Minds Eye Entertainment is clearly at risk but with the creditor approved restructuring plan in place it is conceivable that this investment will bring returns in the long term. Minds Eye Entertainment Ltd. continues its efforts to bring its overhead and complexity to a sustainable level and continues to be recognized for its quality work.

The totals per year are included in the table below.

Table 17. Investments in the Film Industry SOCO/CIC 1995 – 2003			
Year	Debt	Equity	Total
1995	450,000		450,000
1996	910,000	305,000	1,215,000
1999	1,000,000		1,000,000
2000	1,520,000		1,520,000
2001	907,000	4,500,000	5,407,000
2002	2,450,000		2,450,000
2003	1,000,000		1,000,000
Total	8,237,000	4,805,000	13,042,000

While Investment Saskatchewan does not provide project financing for single purpose productions, it remains a potential source of financing to Saskatchewan producers for corporate capitalization and commercially viable bridge financing situations. This support can assist producers in achieving the level of corporate infrastructure required to compete in the business of film and television. This is an option for larger production companies with strong records of accomplishment that can meet Investment Saskatchewan criteria. It is not an option for smaller and emerging producers who may not be able to secure interim financing on specific projects. Private sector financial companies are also open to film business and this is an option for stable companies that have a good record of accomplishment. Improving the business skills of Saskatchewan producers would increase the confidence of conventional financial investors.

Saskatchewan Arts Board

The Saskatchewan Arts Board (SAB) provides approximately $50,000 per year in media arts grants to support individual and project work in film, television and new media, and an additional $50,000 per year in grants to Saskatchewan media arts organizations.

Media art involves artists making creative use of traditional and new media technologies. Media art is often innovative and experimental in relation to the technologies involved, which helps to distinguish it from the media industries. Media arts projects are independent and "artist-driven" in the sense that the artist initiates and is the driving force behind the project and maintains creative control over the work.

Media arts organizations provide community-based local access opportunities for individuals interested in learning how to use media technologies for the purpose of expression, as well as for people involved in careers in film video and interactive media. These organizations provide equipment access, information, workshops, and mentoring support that is often the first point of access to the field. These organizations also provide presentation opportunities for Saskatchewan-made work.

In 1997, there was some interest on the part of the SAB in exploring ways to rationalize administrative roles between itself and SaskFILM with respect to media projects, ranging from joint adjudication of projects to a merger of the two agencies. Since that time, the two agencies have better differentiated their respective roles, with SaskFILM focusing on projects with market and revenue potential and the SAB focused on projects that have high artistic merit.

A few media arts organizations are supported by the SAB through the global grants program and nine more are supported through lottery funding. In addition, Y'utthe Askiy is a community-based media arts

organization that recently established in La Ronge. This organization will be eligible for support in future years and has a mandate to provide equipment access for people in northern communities.

The Status of the Media Arts in Saskatchewan report commissioned by the SAB and SaskCulture Inc. in 2003 highlights the need to rationalize the existing funding programs available for media arts in light of the convergence of media technologies. This has already started to be addressed with the cooperation of SMPIA and the media arts organizations involved. Of particular concern is the need to accommodate the newer organizations that have emerged to address First Nation and Métis access. There are positive partnerships established between the newer and established organizations, and funding policy and structures must be revised to reflect these new realities and provide direction for future development.

Table 18. Saskatchewan Arts Board Grants to Media Arts Organizations (2002-2003)

Saskatchewan Filmpool Cooperative	Global Grant Program	27,000
Video Vérité Artists Collective	Global Grant Program	21,500
Queer City Cinema	Global Grant Program	9,000
Organization Projects	Project "A" Grants to 3 Organization projects	9,496
Media Artists	Individual Assistance Grants to 10 media arts projects	56,330
Total		123,326

Saskatchewan Lotteries / SaskCulture Inc.

As trustee of the Culture Section of the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation, SaskCulture Inc. is responsible for the allocation of lottery funds to community-based cultural organizations in the province. This includes an annual global allocation to the Saskatchewan Motion Picture Association (SMPIA) and six media arts organizations funded through the SMPIA Member Funding Program. In addition, SaskCulture allocates lottery funds to the Saskatchewan Arts Board to support the Gallery Grant Program. In total, just under $0.5M is allocated in lottery funds for annual global grants to film and media arts organizations each year.

See Table 19 on the following page.

Table 19. Lottery Funding to Film / Media Arts Organizations (2002-2003)		
Organization	Description	Allocation
Saskatchewan Motion Picture Association (SMPIA) (Provincial)	Funded as a Provincial Cultural Organization (PCO)	141,100
Saskatchewan Filmpool Cooperative	Artist-run equipment access centre. Film co-op. Regina. SMPIA member funding.	60,000
Paved Art + New Media / Video Vérité / Photographers Gallery	Artist-run equipment access centre. Video and new media. Merged to become Paved in 1993. Saskatoon. SMPIA member funding and Gallery Grant Program.	57,000
Yorkton Short Film & Video Festival (Yorkton)	SMPIA member funding	60,000
Tribe (Saskatoon)	Aboriginal artist-run centre. Involved in media arts access. Gallery Grant Program	8,750
Sâkêwêwak (Regina)	Aboriginal artist-run centre. Involved in media arts access. Gallery Grant Program	8,750
Commonweal Community Arts (Provincial)	Involved in media arts access. Recent project in Prince Albert (funded by SaskCulture to 2003. Has since transferred to SAB funding)	92,500
Soil Digital Media Suite / Neutral Ground /(Regina)	New media and audio production facilities. Gallery Grant Program	18,000
Flicks: Saskatchewan International Children's Film Festival (Saskatoon)	SMPIA member funding	15,500
Friends of Broadway Theatre	SMPIA member funding	9,000
U.of R. Film and Video Students' Society / National Student Film Festival	SMPIA member funding	5,000
Total 2002/2003		475,600

Saskatchewan Motion Picture Association (SMPIA)

SMPIA formed in 1985 and received eligibility status as a Provincial Cultural Organization (PCO) through the Saskatchewan Lotteries system in 1989. SMPIA serves the cultural and economic interests of the motion picture community by working to advance opportunities for the production, promotion and appreciation of film and video in Saskatchewan. SMPIA currently has 182 members, including 48 corporate members. 100 members are in Regina another 55 are in Saskatoon and the rest are in other communities across the province.

SMPIA has played an important role as the representative voice for the motion picture community in Saskatchewan. There are many diverse and sometimes divergent interests involved in the sector including:

- Saskatchewan Producers Association (SFPA) – represents the eight largest companies
- Producers not represented through the SFPA – over 50 companies and individuals
- Media arts organizations and media artists
- Film industry labour organizations (ACTRA, IATSE, DGC)
- Other film related companies (e.g. talent agencies, equipment companies etc.)
- Educators and other interested individuals not represented above

SMPIA has the challenging role of presenting balanced strategies that aim to accommodate a broad range of stakeholders. This leadership helped advance major program initiatives in partnership with the province. SMPIA was involved in the establishment of SaskFILM and the SFETC and has taken the lead in film training initiatives. SMPIA also has a mandate as a PCO to provide motion picture participation and access opportunities for Saskatchewan people. This is in part realized through the administration of a member-funding program for media arts organizations.

In 2003, based in part on recommendations from the Media Arts Report, SaskCulture and SMPIA agreed to change the status of the SMPIA member-funding program, an administered grant program of SaskCulture. This change gives SaskCulture more direct control over the governance of this program and more capacity to coordinate the direction of this program in partnership with the SAB and the media arts organizations involved.

While SMPIA has played a significant role in the development of the motion picture industry in the province, it seems that over time SaskFILM has taken on some of the activities previously done by SMPIA. At the same time, the direct involvement of SMPIA in the business of film production, through administration of Crew Call, has required the attention of SMPIA to shift to areas that were previously in the preview to SaskFILM. There seems to be a need for SMPIA and SaskFILM to clarify their respective roles in industry development. With the shift of training coordination responsibility from SMPIA to SaskFILM, SMPIA will be able to disengage from direct involvement in film financing administration and should be able to refocus on areas not being addressed by SaskFILM, such as community access to production and presentation opportunities, especially in communities outside of Regina and Saskatoon. As SMPIA is an independent membership-based organization, government does not provide direction to SMPIA. SMPIA is accountable for the use of lottery funds to the Culture Section of the trust and must demonstrate to SaskCulture Inc. performance in areas of organizational effectiveness, cultural impact and access and participation.

Government Departments and Administrative Roles

The review considered the effectiveness and efficiency of the provincially funded administrative structures and processes that support the film industry, including the roles of government departments involved in the film industry. The main observations are outlined below:

Lead Department

The Department of Culture, Youth and Recreation (CYR) has been the lead department in government for the film industry since SMPIA was first funded through the lotteries system in 1989. As a cultural industry, the film industry has both creative and business components that are vital to the success of the sector. However, the cultural aspects make the industry unique from other industrial sectors and provide compelling rationale for public investment in the sector. The nature of film and television financing in Canada includes significant public and private investment, governed through the Department of Canadian Heritage. This federal department has parallel responsibilities to the provincial department of Culture, Youth and Recreation, including responsibility for heritage, multiculturalism and citizenship, volunteerism, arts, culture, sport, recreation and cultural industries. Given the significance of the cultural rationale for the industry, and the linkages to the National system through Heritage, it makes sense that the lead department for the cultural industries in Saskatchewan remains with CYR. In Saskatchewan, CYR has jurisdiction for the media arts through the lottery system and the Saskatchewan Arts Board, and the cultural industries. This helps maintain a holistic approach to development of the cultural industries with consideration to the cultural aspects of the industry.

In the course of this review, the SFPA, representing the eight largest production companies in the province, and SaskFILM have both stated an interest in moving to the lead agency responsibility to the provincial department of Industry and Resources (IR). What has been unseen to the industry is that there has been an interdepartmental approach to film industry issues for many years. The impression exists that IR would better receive certain industry-based proposals, such as the advance tax credit proposal, than CYR. This impression is unfounded and suggests a need for CYR to improve communications to the industry and possibly offer the industry opportunity to present and discuss proposals with representatives of all departments involved.

The finance report of 1997 noted that if government wants to redefine responsibilities and pursue both cultural and economic objectives: responsibility for the cultural aspects of film could remain with Municipal Government (now CYR) via a renewed mandate and ongoing funding for SaskFILM; and responsibility for monitoring the more commercial projects financed through a tax credit could be managed by Economic and Co-operative Development (now Industry and Resources). This splitting up of the film industry into cultural and economic sectors is not advised. While there are unique needs for specifically arts and commercial production, industry representatives were adamant that a cultural industry intrinsically includes both the economic and cultural aspects.

From an administrative perspective, it would be most efficient to keep all cultural industries within one government department. The other cultural industries (sound recording, book publishing, visual art dealers and craft) have strong linkages to the cultural sector.

Interdepartmental Coordination

Given the interests of the province relate to the departments of Culture, Youth and Recreation, Industry and Resources, Finance and Learning, there is a need for a continued interdepartmental coordinated approach to planning and evaluation of provincial involvement in the sector. This approach has been carried out informally for a number of years. A more formal recognition of this practice would be useful especially in terms of industry communications.

Interdepartmental coordination is most critical in managing the cost of the SFETC program. Because the program is designed to respond to industry growth, the budget should reflect realistic growth projections. To date, the Department of Finance and the Department of Culture, Youth and Recreation have tracked the costs of the SFETC differently. The Department of Finance accounts for the cost of the program when the tax credit is claimed. Amounts committed that have not yet been claimed are not recognized in budget projections. At any given time, there may be $10M in payment pending for productions that already occurred. Adjustments to reporting practices between the two departments would ensure the status of SFETC commitments is understood. Based on a common understanding of the status of the program, and informed by analysis of the program's impacts and rate of net returns to treasury, the interdepartmental team would be able to evaluate and advise government on film investment strategy on an ongoing basis.

Assessment of Financing Issues

SaskFILM

When funding to SaskFILM was reduced to $1M in 1998, it was with the recommendation that SaskFILM take on a cultural role rather than an economic development role. This disregards the dual imperative of the industry that depends on economic and cultural aspects. On a very practical level, SaskFILM plays a crucial role in ensuring the effective use of provincial investments in the film industry. With a mandate that includes economic and cultural objectives, SaskFILM will balance economic and cultural considerations according to government policy direction.

SFETC Administrative Issues

The most critical issue is that the cost of the SFETC consistently goes over budget. The cost of the SFETC cannot be managed within a fixed budget. Its current design provides non-discretionary contributions to film production. This makes the program difficult to budget. However, the structure of the program, where most productions register in the program from 12 to 18 months before a tax credit will actually be claimed, should allow for more accurate budgeting than has occurred. The establishment of a requirement for productions to register in the program prior to the completion of principle photography will ensure that full information is available for budgeting purposes.

The second issue is a need to have a deadline for filing of SFETC forms to allow clearing off stale claims. This housekeeping adjustment is sensible and supported by the industry provided there is room to request extensions.

The third issue is the length of time it takes producers to be paid out on SFETC claims. As the final filing cannot be submitted until all expenses for the production have been processed, this can mean a delay of up to two years before final form can be submitted. As the majority of expenses are incurred during the principle photography phase, producers must carry debt through the much longer post-production phase before they can file for the SFETC. An adjustment to bring the filings in line with the federal tax credit program would assist the financial stability of Saskatchewan production companies and make the program more accessible for emerging filmmakers and producers.

Finally, there are obvious inefficiencies in how the training programs are managed, in particular, the administration of the deeming provision, which involves submissions to both SaskFILM and

SMPIA/Crew Call. The need to improve the efficiency and effectiveness of this program is discussed further in the training program section of this report.

Saskatchewan Arts Board
The Status of the Media Arts in Saskatchewan report indicates there is little overlap between SaskFILM and SAB services. SaskFILM is focused on supporting projects that can generate returns and the SAB supports artist-driven production. There is some concern that filmmakers that would otherwise go to SaskFILM for development loans and production financing are going to the SAB, as SaskFILM is not supporting them. SAB generally does not support market production (with broadcast license) but this has been done on occasion to support work considered valuable from an artistic perspective. This practice would have limited resources to other media artists. SaskFILM is generally viewed by emerging producers and media artists as only interested in supporting the more established producers. This is as much due to limited resources as it is interpretation of policy direction.

Training Program Coordination
There is overlap of roles and inefficiencies in the coordination of training programs. This includes administration of the SFETC deeming provision, Job Start/Future Skills, industry based training, and Crew Call. As a result, the provincial investments in training programs have not been as effective as they might have been. It is also very difficult to assess the effectiveness of these programs due to the lack of reliable data. The training coordination of training programs should be streamlined through one agency with meaningful involvement of labour and producer groups. As SaskFILM has responsibility to administer the SFETC, they are in the best position to take over the training coordination role from SMPIA/Crew Call.

SMPIA
SMPIA has had some challenges in recent years due to breaks in management continuity combined with rapid changes in the film and video community. This review process has served as an opportunity to consider the role of SMPIA as a representative industry organization and as an organization with a PCO mandate. Without taking on administration role for the industry business, which occurred when SMPIA began to administer Crew Call, SMPIA is more able to provide broad-based representation and service to people throughout the province.

SCN
SCN seems to be providing some mentoring and developmental support possibly in place of SaskFILM. SCN has a mandate to be the regional, public broadcaster that delivers cultural, informational and educational programming and acts as an enabler for the regional film and television industry. In this role, SCN is considered a critical element of the industry for cultural development and production financing for Saskatchewan productions. SCN is playing a valuable mentorship role for many emerging producers – especially in the documentary genre.

Investment Saskatchewan
There seems to be little overlap between Investment Saskatchewan and SaskFILM although there may be opportunities to work together in some areas, particularly to develop businesses where Investment Saskatchewan requirements can be met. As the industry grows, there may be related business opportunities that could be encouraged to help keep production funds in Saskatchewan.

While the level of provincial contribution has been very stable, there has been a decrease in equity funding from SaskFILM and from Investment Saskatchewan's withdrawal from project financing. This drop in equity financing has been compensated for by an increase in contributions from the SFETC. The provincial tax credit comprised 11% of production financing in 1998 and this has increased to 16.4% in 2003. This is attributed to the increased use of the deeming provision and possibly the increased ability of producers to maximize the benefits offered through the program.

SCN's license fees to Saskatchewan production have been quite stable at about 1% of total production

volumes. While the contribution from SCN is relatively small, this funding provides a critical trigger for other financing.

Other provincial sources include contributions from Investment Saskatchewan, Job Start/Future Skills, the Saskatchewan Arts Board and occasionally small contributions from other provincial programs.

6.3 FEDERAL/NATIONAL FUNDING

Federal/National funding includes all federal contributions and the Canadian Television Fund (CTF), which is comprised of both federal and broadcaster contributions. From 1998 to 2003, federal/national funding has dropped from 28.1% (in 1998) to 16.3% (in 2003) of overall funding to film and television production. This drop of 42% since1998 is largely due to a drop in Telefilm funding which decreased by over $3M for SFETC projects between 1998 and 2002.

The CTF is a private-public partnership between the federal government's Department of Canadian Heritage, as well as revenues from various broadcast distribution undertakings such as cable and satellite companies. The fund is jointly administered by the CTF and Telefilm Canada.

As a public broadcaster, the CBC is included in the federal/national funding section. CBC involvement in Saskatchewan is consistently less than 2% of total financing. In 1998 there was a higher portion of involvement due to the CBC miniseries *Revenge of the Land*.

Financing accessed through the Canadian Television Fund (CTF) averaged 7.8% of production financing for Saskatchewan productions and has been stable. As a cultural programming fund, the CTF is only an option for Saskatchewan productions that reflect a Canadian point of view and are based on Canadian themes, stories and events.

Telefilm Canada
Established in 1967 to support independent Canadian production, Telefilm is a federal cultural agency, dedicated to the development and promotion of the Canadian film, television, new media and music industries. With the objective of building larger audiences for Canadian cultural products, Telefilm acts as a partner to the private sector. Telefilm invests in diverse productions with wide appeal.

As a cultural investor, Telefilm provides financial assistance and strategic leverage to the industry in producing high-quality productions that reflect Canadian society, including its cultural diversity, while having the widest possible distribution in Canada and abroad.

In 2003/2004 Telefilm administered an annual budget of approximately $240M through the following major funds and programs:

- Canada Feature Film Fund ($94M – includes $15M of CTF)
- Includes: Development, Production and Marketing Programs ($84.6M); Screenwriting Assistance Programs ($2.3M); Low Budget Independent Feature Film Assistance Program ($1.7M), Canada Showcase Program ($2M)
- Canadian Television Fund ($230M)
- Created in 1996 this fund supports the production and broadcast of high quality, distinctively Canadian television programs. The result of a private-public partnership, the CTF is financed by contributions from the federal government, Canadian cable and direct-to-home satellite industries and Telefilm. The fund is jointly administered by CTF and Telefilm.
- Canada New Media Fund ($9M)
- Versioning Assistance Fund ($2.3M)

Telefilm also administers official co-productions on behalf of the federal government and offers a Loan Guarantee Program.

Saskatchewan receives less than 2% of Telefilm funds spent on Canadian production. Even though Telefilm spending on regional production has increased, Saskatchewan has not gained from this trend. In 1998 71% of Telefilm funds went to Toronto and Montreal. Funds to these two centers dropped to 59% of the total by 2002. B.C., Alberta, Manitoba, and Nova Scotia all increased access to Telefilm in this period, as did Ontario and Quebec for productions outside of Toronto and Montreal. The reasons for this are probably due to the Telefilm rules, which favour Canadian cultural content, especially feature films and dramatic television.

Canadian Television Fund

As a cultural programming fund, the CTF supports distinctively Canadian programming in English, French, and Aboriginal languages; programs that reflect a Canadian point of view and are based on Canadian themes, stories and events. The role of the CTF is to enhance the creation and broadcast of high quality, culturally significant Canadian television programming. As such, the success of Saskatchewan producers in accessing this funding can be seen as an indicator of cultural impact of Saskatchewan programming.

With a budget close to $250M per year, the CTF provides financial assistance in the genres of children's and youth, documentary, variety/performing arts, drama and feature film programming.

The CTF is made up of two complementary programs, the License Fee Program (LFP) and the Equity Investment Program (EIP). The LFP is administered by the CTF, a private-sector organization, while Telefilm Canada administers the EIP for the CTF. Efforts are underway to streamline the EIP and the LFP processes in order to simplify industry access to these funds.

The CTF has high Canadian content requirements. Productions must speak to Canadians about and reflect Canadian themes and subjects, score full points on the CAVCO scale, underlying rights must be owned and significantly and meaningfully developed by Canadians and must be shot and set primarily in Canada.

In 2002/2003, the CTF contributed $269M to film and television production across Canada. 71% of this funding went to Quebec and Ontario and Saskatchewan's share was 1.4%. In the February 2003 federal budget, the federal government announced a reduction of annual funding for the CTF by $25M. In June 2003, the federal government restored $12.5M of the $25M funding reduction by borrowing from the CTF's 2004/2005 funding. This would have caused government funding of the CTF in 2004/2005 to be $37.5M lower than it would have been before the funding reduction was announced. The anticipation of these reductions has been felt in the national industry and has contributed to the challenges of financing production in Saskatchewan. Following intense industry advocacy, the federal government restored the CTF fund in March 2004.

Saskatchewan did well to access 5.4% of funds allocated in the spring 2004 CTF funding decisions, and received the most of any province for aboriginal programming. Of the total available in the Aboriginal fund, 23% went to Saskatchewan projects.

Canadian Film or Video Production Tax Credit (CPTC)

This federal tax credit program is jointly administered by Canadian Audio-Visual Certification Office (CAVCO) of the Department of Canadian Heritage and the Canada Customs and Revenue Agency. CAVCO co-administers the Canadian Film or Video Production Tax Credit (CPTC) program and the Film or Video Production Services Tax Credit (PSTC) program. Under the CPTC program, CAVCO performs two functions: Canadian content recognition; and, establishment of eligible production expense to qualify for the CPTC.

The CPTC is a refundable tax credit for 25% of eligible labour expenses and capped at 60% of a total

production budget, less other government assistance. This could be up to 15% of total production.

The aim of the CPTC program is to encourage Canadian programming and to develop an active domestic production sector. Productions qualifying for this tax credit must have a high degree of Canadian content.

Film or Video Production Services Tax Credit (PSTC)
The PSTC program is a tax credit equal to 16% of eligible labour for services provided to the production in Canada. This refundable tax credit has no cap on the amount that can be claimed and is available to taxable Canadian corporations or foreign-owned corporations with permanent establishments in Canada that are taxable in Canada. There are no Canadian content regulations associated with this tax credit.

Canada Council for the Arts
The Canada Council provides financial assistance to media artists under various programs, including grants to individual artists to work with media arts as a form of creative expression, research grants, production grants, travel grants and new media residencies.

The Canada Council allocated $12.3M in media arts funding in 2002/2003 and $464,450 of this went to Saskatchewan media artists. Most Canada Council funding (78%) went to Quebec, Ontario and B.C. Saskatchewan received 3.7%, just behind Manitoba (5%) and Alberta (4.6%). The rest of the provinces and territories received smaller amounts than Saskatchewan.

Canadian International Development Agency (CIDA)
CIDA supports a variety of projects, including television and radio productions. All projects must address a priority international-development issue, stress the unique contribution made by Canadians in development nations and target a Canadian market. CIDA can provide from $5,000 to $250,000 in funding to support a project however, few contributions over $50,000 are made.

The National Film Board of Canada (NFB)
The NFB produces and distributes films designed to interpret Canada to Canadians and other nations. The NFB participates as a full producer or as a co-producer in the development and production of culturally relevant Canadian films, videos and multimedia productions with independent Canadian producers. The NFB supports Canadian documentary and animations projects, as well as new media and alternative fiction. The NFB offers an Aboriginal Filmmaking Program, a Filmmakers Assistance Program and has diversity funds earmarked to support the training of filmmakers from various intercultural communities.

6.4 OTHER SOURCES OF FUNDING

Broadcasters
Funding from broadcasters has increased dramatically since 1998 from 10% to 34% of total budgets. This suggests that Saskatchewan producers are creating work of interest to broadcast markets and that broadcaster commitments are becoming more critical to the competition of production financing.

The primary trigger to finance Canadian productions is a broadcast licence. With the exception of SCN, Saskatchewan producers do not have access within the province to a broadcast entity that licenses productions locally. Virtually all licencing decisions made by national broadcasters are made in either Toronto or Vancouver. This limited access places Saskatchewan producers in a disadvantaged position.

The CTRC requires Canadian broadcasters to contribute a portion of revenues to Canadian production. These private funds contributed over $65M to approved projects in 2002. The majority of that was development and production funding, while more than $1.3M was interim financing through the Rogers Telefund.

Even so, Saskatchewan producers have managed to increase their access to broadcast funds by 24% since 1998. The number of foreign program buyers and distributors is also increasing.

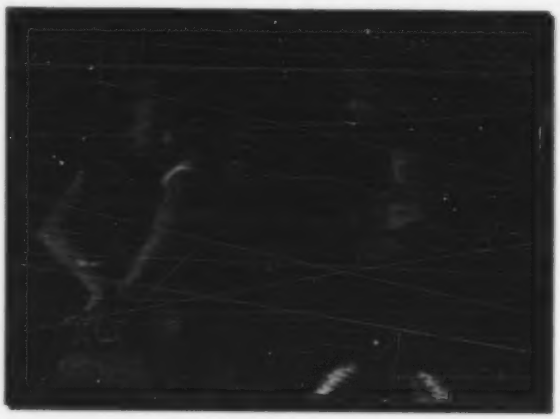
Distribution Funding
Revenue from distributors has been stable at about 25% of total financing. Distribution fees include fees from Saskatchewan producers who have formed their own distribution arms. Providing significant related party distribution advances can put financial strains on producers and increases their risk position. Distribution markets available to producers are domestic television, international television, domestic theatrical, international theatrical and non-theatrical. With some fluctuations from year to year, Saskatchewan has seen increased distribution advances which suggests that confidence in Saskatchewan film and television production is increasing. However, some of this increase is due to the number of Saskatchewan producers who have moved into distribution of their own products, which increases their own risk in the production.

Other Private Investment Sources
This includes private sponsorships and loans, facility contributions and deferrals. Funding from these sources decreased from 22.3% in 1998 to 9.6% in 2003. However, producer deferrals are increasing, reducing the management fee income production companies rely on to support corporate infrastructure.

6.5 STABILITY OF SASKATCHEWAN PRODUCTION COMPANIES

The significant growth experienced by many Saskatchewan production companies has increased the financial stress on these companies, largely due to the financial structuring of film projects.

Like most Canadian productions, Saskatchewan projects are financed through a combination of broadcast pre-licensing, distribution, tax credits and public funds. Access to public funds requires the pre-sale of the product prior to its completion, which in turn decreases the producer's ability to earn a return from the distribution or sales revenues from the market. Very little revenue is earned by producers following the release of their product into the marketplace. With production costs rising, independent Canadian producers are struggling to make their budgets, let alone a profit. Even if a project is fully financed, the majority of these financing sources only flow to the producer once the project has been completed. The result is that, in times of growth, because of delays in revenue sources, cash flow management becomes a challenge. Bank financing can be obtained by more established producers but tends to be costly. As mid-size companies grow, this is the case for most of the mid-size and larger companies, the debt-load through bridge financing increases and places the companies in greater financial risk.



renegadepress.com is distributed worldwide. Bronsun Pelletier (Jack) and Ksenia Solo (Zoey) are leads in this youth oriented series – a combination of television and interactive website

Most Saskatchewan production companies earn revenue through management fees earned and administrative expenses recouped during the development and/or production of projects. For SFETC productions, producer fees and corporate overhead are calculated at 10% of production costs. In general, production companies structure production budgets to balance revenue and expense. Deferrals are used when financing is not sufficient to cover expenses. This can cause producers to earn insufficient management fees and rely on bridge financing to support overhead through the course of production. This

practice undermines the stability of production companies and limits their ability to develop new productions.

Profit is generally not made on specific productions. Production companies create single-purpose companies for each larger project in order to protect the parent company from risk. This practice enables the producer to manage the project finances of the single purpose company to achieve a balanced budget, which results in no corporate taxes paid by these single-purpose companies. Producers survive through producer fees and hope to make some profit on product sales if a project achieves some market success. Corporate income tax is paid on parent production company profits. Profit, if realized, is usually used to develop new product, with little left for corporate infrastructure development.

Producer deferrals are not included as part of the total production cost when calculating the SFETC and so cannot be used to inflate the production budget to increase inappropriately the level of the tax credit claimed. SaskFILM will recognize a limited amount of deferred costs in a financial plan when other funds have not been secured, but these costs are only recognized in the calculation of the final tax credit if they are actually paid. When deferrals are not paid they remain part of the project financing. This practice of using deferrals to complete financing structures can overextend the producer's resources and cause reliance on the tax credit.

This method of financing Canadian production, combined with limited access to the international marketplace, has restricted the ability of Canadian producers to succeed from a business point of view. This is a critical concern at the national level as well as for Saskatchewan production companies.

The recent downturn in the Canadian production industry has left many Canadian producers vulnerable. Some of the larger Canadian producers such as Alliance/Atlantis Communications are getting out of production and focusing on distribution instead. The CFTPA, in their 2004 Report, has pointed to the need to create a tax credit system in Canada that allows production companies to strengthen their corporate position while pursuing deve. ,pment. Saskatchewan producers are experiencing the same financial pressures and are advocating for changes that will improve the stability of companies making them more resilient to market fluctuations and able to invest in future productions.

7.0 Training and Professional Development

Since 1989, the Saskatchewan Motion Picture Association (SMPIA) has been the lead organization in the development and implementation of coordinated professional development and training strategy for the motion picture industry. SMPIA has been involved in the publication of professional development reports: a "Five Year Plan for Professional Development" (1992) and the follow-up "Second Report: Implementation Phase" (1995). More recently, a "Needs Assessment for Training and Professional Development Requirements in the Saskatchewan Film and Video Industry" (1996) was published with the financial support of Job Start/Future Skills.

In 1999, SMPIA was supported by the Job Start/Future Skills Sector Partnership Workforce Development Initiative. Four projects were carried out under this initiative including equity projects for women and First Nation and Métis people, a skills database, and a training prioritization project. The final report (March 1999), called for the need to address barriers to training and employment in the industry faced by Aboriginal people and women, and identified the need for ongoing training coordination and career consultation services. In the mid-90's, the province supported with the federal government, a comprehensive film industry training development initiative for Saskatchewan, the Professional Development Initiative (PDI). Originally developed as a western region initiative to meet the criteria of the WDI, this program was renewed in 2000 as a Saskatchewan-based program Careers 2000 and later named Crew Call. While Saskatchewan Learning continues to provide funding for entry-level training and skills upgrading through the Job Start/Future Skills program, Crew Call was intended to provide a one-stop career path guidance service for those entering the industry, facilitate cooperation on the training needs of the industry, and maintain a database of skill personnel available in Saskatchewan.

Crew Call

Crew Call was a five-year project funded through a four-year WEPA agreement from 1999 to 2002 with the expectation that the fifth and subsequent years would be sustained by the industry. A total of $350,000 was committed; shared equally by the federal and provincial governments. The agreement also included financial commitments from Job Start/Future Skills, and the Industry (SFPA and SMPIA). The agreement was signed between SMPIA and WEPA and it committed SMPIA to operate Crew Call as a training coordination service for the industry. Performance expectations included the development of a skills database, administration of the film industry Job Start/Future Skills training plans, and maintenance of an industry-based advisory committee comprised of producers and labour representatives.

From industry discussions held through the course of the review and based on the evidence provided by SMPIA on the performance of Crew Call, it is apparent that Crew Call has not met the expectations of the industry. The main concerns relate to the quality of service and inadequacies of the training database to serve the needs of the various stakeholders involved. There does not seem to be a clear training strategy in place for the industry that would include benchmarks and targets. The database itself was designed as a client service with no consideration for the need to include evaluation indicators. The lack of reliable information on the effectiveness of training programs to date makes it difficult to assess how well these programs are actually working.

Some factors have contributed to this disappointing performance. Throughout the period of the agreement, SMPIA experienced changes in personnel and there were periods of time when effective management of the organization was not maintained. Another factor is the fragmentation of training coordination roles between SaskFILM, SMPIA (Crew Call), and SIAST. The vision of Crew Call included SIAST handing off aspects of their film training administration to SMPIA, but this has not yet occurred. When the SFETC was introduced, SaskFILM took on management of the deeming provision and the training plans that accompany this program but soon handed this portion over to SMPIA to be coordinated through Crew Call. This move overburdened SMPIA. As SaskFILM must still have a role in the deeming component, as it is part of the SFETC, this has resulted in considerable inefficiency in the system as well as placing SMPIA in a very awkward position of administering programs over which it has

no real authority or control. The industry did not make sufficient contributions to the program to support the program adequately in the fifth year.

In 2003, SMPIA submitted the "Film and Media Education Saskatchewan (FAME Sask.)" proposal to WEPA for consideration. FAME is intended to continue the services offered by Crew Call with an expanded mandate that would include a wider range of production positions and a coordinated approach to professional development as well as training.

Job Start/Future Skills
This program has contributed over $3M to training in the film industry since 1995. On average, the film industry accesses $360,000 per year through this program. SIAST and Saskatchewan Learning have been very accommodating to the unique needs of the film industry and have done much to tailor programs to suit these needs. The industry recognizes the important contribution JSFS has made to the industry over time and, of course, would like to see this kind of access continue. There is still a need to reduce administrative inefficiencies between SIAST and Crew Call that should be realized if a coordinated training service is supported through WEPA.

SIAST Core Film Courses
Since 1998, SIAST has offered introductory courses in Film Set Safety, Set Protocol, Set Crisis Management and Freelance Business Skills. These four core courses were developed by SIAST with the assistance of SMPIA and are offered as part of an Applied Certificate Program in Film, Video and New Media. These are now required courses for IATSE union membership and are encouraged for all film trainees. These programs are offered as needed on a cost recovery basis and include a 150-hour mentorship component offered in partnership with the industry.

Deeming Provision
The deeming provision of the SFETC has been used in combination with the Job Start/Future Skills program, through Human Resource Development Canada, to provide valuable on-set training for both emerging technicians and experienced crewmembers.

While these programs initially placed emphasis on the development of crew, greater attention is being given in recent years to the development of above-the-line personnel in drama. Above-the-line personnel include producers, directors, actors and writers. An increase has also been experienced in the quantity of Saskatchewan scripts being taken to production. Workshop productions, supported by special programs such as the SaskFILM Low Budget Feature program and the Winter Initiative program have been a source of assistance in the development of local creative above-the-line personnel as well as technical crew and craftspeople.

So far, the industry has focused training strategies on supporting the peaks in production volume. This has placed emphasis on recruiting entry-level trainees and matching them with mentors on production. It seems that this approach has merit as it has contributed to the development of the skilled labour base in the province. However, there has also been a lack of coordination for training, and concerns raised by labour organizations that training is not focused enough in priority areas or based on individual training needs. There is also little opportunity for more advanced training and there is some loss of key personnel. Finally, there is concern that the pressures of film financing motivate training plans more than training priorities do. While there is recognition that without production, there is no need for training, there still needs to be a more effective focus on training for those that comprise the core labour base who support a reliable ongoing level of production.

Industry Contributions to Training
Industry organizations have established a practice of requiring producers to make a financial contribution to the unions for each deemed position approved by the labour organization. This contribution is used by the unions to support a variety of training activities, from supporting course fees for individual members, to offering group workshops, to funding low budget productions where members have opportunity to

hone their skills. For example, ACTRA Saskatchewan has introduced a training program to assist in the development of local actors for film and television. The unions representing Saskatchewan technicians, IATSE and DGC also offer professional development of their membership in part supported by contributions of Saskatchewan producers who access the deeming provision of the SFETC.

Labour organizations believe that the on-the-job training experiences supported directly by the deeming provision, need to be combined with other approaches to training to be truly effective. The cost of other training activity is often less than the cost of on-the-job training. It would be ideal to reduce the number of deeming claims in favor of having more funds to support training programs directly.

Number of People Trained
Job Start/Future Skills has trained 539 people in 859 instances of training since 1998. Trainees qualified as unemployed or qualified for retraining. There is some evidence of continued employment for a number of these people. For example, 10% of those trained through JS/FS later had gained a skill level sufficient to mentor other trainees.

All professional unions and guilds report increase in membership from individuals trained through these programs. IATSE 295 approved 50 trainees in 65 situations since 1998 – of these 13 were already members and nine have become members since; a rate of 18% of those trained reaching professional status. The DGC reported 46 members have benefited from training programs and 30 advanced to higher levels because of training.

Retention of Skilled Labour in the Province
SaskFILM has indicated concerns of "out migration" of crew and producers, especially loss of "A" crew. There is no reliable evidence of a steady out-migration trend, but there was loss of some key crewmembers from 2000 to 2002 due to low production volumes. Certainly any time production volume decreases, there will be some loss of crew. These numbers will increase when production volumes rise to a level that can promise steady work. Steady work will attract expatriates as well as newcomers to Saskatchewan.

As the production industry is so small, the loss of even one key crew person is keenly felt. This resulted in a need to import more crew in 2003 and to hire more trainees. IATSE reports that since 1999 the number of crew imported has risen from 10 to 38, and this is matched by a jump in permitees from 80 to 136. There is an ongoing struggle to develop and keep skilled labour in the province. In 2003, SaskFILM reports 5 productions were shooting at the same time, requiring a high level of imports, which increased deeming costs. As production volume is expected to remain stable in 2004, it is expected that more permitees will become full union members through assistance of training and deeming.

Training Issues Identified
Evaluation responses from labour organizations surveyed reflect some of the complex challenges involved in training and career development for many of the demanding technical, craft and creative positions on production. While there is strong anecdotal evidence that the training opportunities have been critically important to developing skills, there is still a need for better coordination of training and some opportunity for more trainee-centered and union guided approaches.

The following ideas emerged from industry discussions held during the course of the review and may help inform future training programs and strategies:

Centralized training coordination services for all skill areas through a single agency based on an industry partnership is needed
FAME / Crew Call proposes establishing a separate Film Training organization like Manitoba, however, lower cost options may be centralized through SaskFILM or SMPIA with strong labour advisory involvement. This would require federal, provincial and industry support. SaskFILM and the industry are now considering options to better coordinate and centralize training services.

More opportunity for offset training and individualized training plans
Program funds for offset training, expanded mentorship opportunities and trainee centered learning as well as capacity to address training needs in targeted areas such as Saskatoon residents and First Nation and Métis people. Focus on the core local labour base rather than training to fill labour gaps for large service productions.

Filmmakers fund for local filmmakers or low budget features
To increase creative control opportunities for developing local filmmakers.

Centralized training/labour database
Better tracking of training program effectiveness including a centralized database to track progress of trainees. A human resource development strategy with identified targets and ability to evaluate progress.

Reaffirm industry commitment to training
Restructure mechanisms to collect industry contributions and ensure the industry is committed to making these contributions. Industry contributions can support coordination services as well as a training development fund for filmmakers fund and workshops.

Adjustments to deeming
The industry recognizes the need control the extent of deeming claims and to ensure a more coordinated and targeted approach to training supported through the deeming provision. Ideas include limits on the number of deemed positions allowed on production and release of the direct link of deemed to trainee positions to allow targeting training in areas of greatest need – to target shortage in the position held by the trainee – not the deemed mentor.

Reduce administration
By all accounts the level of administration required to process the training programs is excessive. Coordination of all training through a central agency should address this. Other ideas such as increasing the tax credit to compensate for removing or limiting the deeming provision would reduce paper work and help put the focus on training rather that financing.

Continue Set Safety/Protocol course and encourage other training partnerships with SIAST
The value of these programs is acknowledged. In future if the industry continues to grow, the possibility of other programs, such as a SIAST diploma program for below-the-line skills may be explored.

Continue Job Start/Future Skills
This has been a very important program for the industry. In future, consideration of how the program can be used to support higher-level skill development may be explored.

Filing timeline adjustments
The current filing process for JS/FS and the SFETC deeming provision does not allow sufficient time for evaluation of training plans. Adjustments are needed to allow time for training plan assessment based on identified needs and longer-term career development and skills upgrading for existing crew.

Canada-Saskatchewan Production Studios Access
There is an interest in increasing the use of this facility for training and development activities.

8.0 Conclusions

8.1 POLICY DIRECTION

The main conclusion of this report is that a public policy rationale for film industry support must be articulated to provide a context for measuring progress and monitoring the effectiveness of the provincial investment.

A clear policy direction is needed that outlines the rationale for investment in the industry and the expectations of performance of provincial investments in terms of cultural, economic benefits and returns to treasury. Given that to achieve these outcomes there are different and sometimes incompatible mechanisms available, future program and policy choices may need adjustment to achieve the articulated interests.

An evaluation framework for industry investments would take into account the policy direction, and realistic performance expectations for the industry, with measures and systems in place to monitor key indictors, which can be established in cooperation with industry stakeholders. This will allow consideration of future investments to be informed by analysis of relevant information of industry performance. Industry performance expectations must also take into account current market trends and the level of investment provided by the province of Saskatchewan relative to other jurisdictions.

8.2 CULTURAL IMPACT

Film production makes a significant cultural contribution to the province through the creation of cultural products that reflect the identity, diversity and perspectives of Saskatchewan people and that provide opportunities for expression and development of skilled cultural workers in the province.

It is this cultural imperative that makes the cultural industries so compelling. In the face of overwhelming mass media largely dominated by American cultural products, governments worldwide invest in their cultural industries to ensure they have the ability to produce and distribute their own culture, rather than simply be a consumer of the culture of others.

Despite the fact that the major supports for the film industry have been economic instruments (SFETC, SaskFILM programs), there has been an increase in the number of cultural products made and more of these productions are receiving critical attention. The cultural content of productions is evident in the majority of products made. Saskatchewan productions are making a greater impression with audiences than they have in the past. There are more Saskatchewan films and television programs being made and the number of broadcast hours for Saskatchewan programs seems to be increasing in the province, in Canada and internationally.

The provincial film industry has evolved to the point where now Saskatchewan has the means to tell its own stories, producing film and television programs that reflect the perspectives, values and experiences of Saskatchewan people. The sense of pride and affirmation that is felt when people see themselves reflected in film and television is a recognized benefit although the extent of the impression being made on Saskatchewan people is not known.

Film, television and multimedia production present opportunities for many people to express their identity, ideas and perspectives. As a powerful means of cultural expression, there is a growing interest in media production among artists, First Nation and Métis people and youth. This trend is encouraged as media production technology is becoming more accessible and interactive. Through media technology, Saskatchewan people have more capacity to participate in society through the expression of diverse perspectives and ideas.

Even though there are significant cultural impacts identified in this report, the mechanisms that actually focus on cultural impacts are limited.

There is concern that the creative content of production needs better support, either through adjustments in the design of current programs such as the tax credit, or through added support to programs specifically intended for cultural development, such as those offered through SaskFILM and SCN. If cultural objectives are important to the province, more consideration of these objectives is needed in the design of film incentives.

Increased funds to SaskFILM could support the Filmmakers Program, and/or other development initiatives and allow more emphasis on the consideration of cultural objectives in providing loans, equity financing, and access to the sound stage facility. Increased funds to SCN to support development and broadcast of Saskatchewan programs would also be an effective way to boost cultural impact of the industry.

Options to improve cultural development support include:

- Increase cultural funding through SaskFILM and SCN
- Include some basic cultural criteria for SFETC eligibility
- Provide direction to SaskFILM with respect to cultural objectives
- Implement strategies that ensure First Nation and Métis people and youth have access to development opportunities

NOTE: Any adjustments to the SFETC require further consultation with industry stakeholders before they are introduced.

8.3 ECONOMIC IMPACTS

Since 1998 the total economic impact of film production in Saskatchewan has been on average $46.9M per year, and generates 798 full-time equivalent jobs. Of these jobs, 651 are directly created from tax credit supported production activity.

The film production industry contributes to economic diversification and complements other sectors such as information technologies, cultural industries, and tourism. The industry attracts investment from outside the province that is spent in the province on labour and other services. The employment impacts of film production are high, relative to other industries due to the high labour component and because film production relies heavily on other supporting industries. The industry provides attractive career opportunities for young people and helps project an image of Saskatchewan as a place of creativity and innovation.

The economic rationale for film industry is weak when examining the industry exclusively from its contribution to GDP and jobs. However, if one broadens the definition of economic impact to include the impact of the industry on overall diversification and the contribution the industry makes to the sense of vibrancy and attractiveness of the province, it becomes more compelling.

The cost of job creation in the industry through the SFETC is high compared to other sectors ($8,095 per job based on an annual salary of $35,000). At the same time, the industry, despite its small size, receives a great deal of media attention nationally and internationally. These media stories have a positive impact on the attractiveness of the province to young people and to businesses.

Economic returns are directly related to local production capacity.

The contributions to the Saskatchewan economy depend on the portion of the production budget that is spent in Saskatchewan on resident labour and local goods and services. On average, approximately 63% of total production is spent in the province. However, when there is more production volume than local capacity to support that level of production, there is more need to import labour, goods and services. This

means that, in years of higher production volumes, the percentage of Saskatchewan spending declines. The total economic impact will increase, but that total will be a declining percentage of overall production volumes. For example, where local capacity is insufficient, imported labour can be supported by the SFETC (through the deeming provision). This increases the cost of the tax credit without increasing the returns to the province that are gained through Saskatchewan spending. As a result, the current trend of industry growth shows diminishing returns to the province because of the limited production capacity of the Saskatchewan industry.

The industry has grown in Saskatchewan even in the context of a downturn in the national and international industry.

With improving global industry trends and assuming provincial financing incentives remain in place, the Saskatchewan industry may continue to grow at a rate of perhaps $5M per year. As the industry continues to grow, the production capacity will also develop, and in time, the rate of return will improve as a greater portion of production budgets will be spent in the province.

Options to improve economic impact of SFETC productions include:

- Limit the waiver of residency (deeming provision) to cap the total value of deemed positions per production (e.g. 20% of total eligible labour).
- Reduce the deeming provision limit on the value allowed per position (currently the limit is $150,000 per position; the SFPA has suggested a reduction to $125,000 would be acceptable).
- Add a minimum number of Saskatchewan shooting days to be eligible for SFETC.
- Adjust the rural bonus credit to equal 5% of a project's total eligible labour rather than of a project's total cost.

NOTE: Any adjustments to the SFETC require further consultation with industry stakeholders before they are introduced.

8.4 NET RETURNS TO GOVERNMENT

On an average annual basis, the net cost to government, considering both increased tax impacts from total industry activity and SFETC investment, is close to zero.

Over the six years, the SFETC has been in place, the program paid out $31.63M in tax credits. Economic activity stimulated by SFETC supported productions generated $28.86M in provincial tax revenues. Based on SFETC productions alone, the net cost to government over the six years of the SFECT program has been $2.77M or an average net cost of $0.46M per year. When the value of the total industry contribution to the economy is considered, the net return to government is positive, at $0.6M annually.

Increased reliance on the SFETC.

In general, the SFETC funding has been increasing as a percentage of the total production volume. Producers are making more efficient use of the SFETC. The use of the deeming provision increases when there is more production volume than local capacity to support that level of production. Because of recent growth in film production volumes, local capacity is stretched and the deeming provision has become an important tool for expanding volumes and production capacity. This trend will continue unless adjustments are made to limit peaks in production that greatly exceed local production capacity.

8.5 STATUS OF THE INDUSTRY

Provincial incentives have resulted in strong industry growth.

The industry has grown from $5.4M in production activity in 1990 to $47M in 2003. This growth is directly related to the introduction of provincial investment and incentives. The rate of growth peaked in 1998 reaching $52.2M, a 100% increase in production from the previous year. This unprecedented growth coincided with the introduction of the SFETC program. 2003 has been the best year since 1998 with $47M anticipated. The film industry is growing and has potential to continue growing if provincial investments are maintained.

Industry trends are improving.

The industry is now well established, involving many creative, determined people who have worked hard to build an industry in the province. This growth of the provincial industry was achieved during an unexpected downturn in the national and global film and television industry. It is now tougher for Saskatchewan producers to obtain financing due to recent national funding cuts but the situation is stabilizing with the restoration of the Canadian Television Fund (CTF). Saskatchewan producers are improving access to national funds and world television markets.

Fluctuations in production volume are inevitable.

Peaks in production volume will occur when one or more large production occurs in one season. There is a base of reliable core activity of approximately $25M per year plus an average of $14M in large productions that vary greatly from year to year. The design and budgeting of film incentives need to recognize that fluctuations are inevitable. Encouragement of series production and focus on stabilization of the core industry will help minimize negative impacts of fluctuations in the industry.

Production companies show growth trends.

The number and size of Saskatchewan production companies has increased since 1997; these companies employ more people and produce a larger number of projects annually than they did before the provincial tax credit program was introduced. Saskatchewan producers have increased the number of broadcaster and distributor relationships, enabling Saskatchewan productions to be seen more widely at home and around the world. Mid-size producers are experiencing the most rapid growth.

Growth is creating financing challenges for Saskatchewan production companies.

The nature of Canadian production financing is such that production companies have difficulty developing stable corporate infrastructure. In Saskatchewan, many mid-size production companies are experiencing cash flow difficulties due to rapid growth. Companies with established records of accomplishment have access to financing but this can be costly and is provided through out-of-province service providers. The lack of equity financing in Saskatchewan limits the potential for recoupment. The industry has proposed adjustments to the SFETC program to allow an interim payment. This would relieve the stress on cash flow considerably. The industry has also proposed an advance tax credit program that would create an ongoing equity fund for Saskatchewan production through the interest fees collected on interim financing against the SFETC. The film industry demands a high level of business skills, especially in areas of financial management and marketing. While some established producers may not require business skills training, most would benefit from increased business skills training. Younger producers and emerging companies would especially benefit from this service.

Saskatchewan's tax credit program is effective but becoming less competitive as other provinces increase support.

Since it was introduced in 1998, Saskatchewan's tax credit has been very competitive with other provinces; offering the best deeming and rural bonus plus a competitive basic credit. The strong tax credit compensated to some extent for the lack of equity investment. In April 2004, Manitoba announced enhanced tax credit incentives and it is likely that in time other jurisdictions will follow. This will make it more difficult for Saskatchewan to compete with other provinces for production. The quality of the Soundstage facility, the skilled labour base, and the film commission services are all factors in attracting production to Saskatchewan. Even though the SFETC may become less effective at increasing production levels, it can still support a modest rate of growth that is in step with local production capacity to support.

Saskatchewan is not competitive in terms of equity financing.

The lack of equity financing is the main element limiti g the competitiveness of Saskatchewan relative to other provinces. Equity financing would improve Saskatchewan's position as an investor in projects and encourage the creation of projects that have high economic and/or cultural significance. The industry has proposed a program, which would provide interim financing to producers on the SFETC commitments, and create a revenue stream to support increased equity financing for SaskFILM. The revenue would be raised from producers through financing service fees that would otherwise go to financial institutions. The proposed SFETC Advance Payment Program or other strategies to address this issue warrant further consideration in cooperation with industry representatives if there is an interest in supporting this rate of production growth.

Marketing and distribution is improving but remains an ongoing challenge.

Canadian film and television has challenges in reaching domestic and foreign markets due to the relatively diminutive size of Canadian marketing budgets and the lack of access to distribution channels. For Saskatchewan, there has been progress in recent years as shown by increased broadcaster and distributor relationships; however, it remains a concern that productions are often made but not as widely seen. The role of SCN in this regard is critically important; in terms of both reaching Saskatchewan audiences and facilitating broadcaster relationships that can bring Saskatchewan productions to wider audiences.

Saskatchewan has some disadvantages as a film location.

SaskFILM identifies the main considerations in choosing a film location are extent of competitive financing available; appropriate locations and facilities; access to skilled labour; and proximity to larger service centers.

The advantage of filming in Canada for offshore/foreign (usually American) producers is realized through low exchange rates, tax incentives, competitive labour costs, available crew, equity investment and sufficient facilities to house these productions. While Saskatchewan is competitive on most fronts, there are disadvantages to filming in Saskatchewan that will continue to limit the competitive position of the industry. A film investment strategy that builds on the strengths of the local industry may not be as competitive in attracting foreign production but will be able to attract some production that has sufficient cultural and economic benefits to the province to warrant provincial investment.

The current SFETC is not specifically designed to attract foreign production; only Saskatchewan producers are eligible to apply for the SFETC. Foreign production occurs in the province by access to the SFETC through a Saskatchewan company. SaskFILM reports that major studios are not willing to place themselves in a position of risk by going through a Saskatchewan producer. This limits the prospects of

Saskatchewan as a film location for foreign production. Saskatchewan producers and labour organizations tend to support the current SFETC eligibility rule as it allows the focus of the SFETC to be on building the indigenous production industry. Given the net cost to government will be high on large productions unless there is sufficient local production capacity to support the large production, it is likely premature to open the SFETC program to foreign production.

With the establishment of the Canada-Saskatchewan Production Studios, Regina and area has emerged as the production centre of the province. The rural bonus can make locations outside of the Regina area more attractive with the exception of Saskatoon. Depending on the public interest, consideration of a revised bonus that rewards cultural and/or regional development may be of value.

8.6 PROVINCIAL PROGRAMS AND INCENTIVES

SaskFILM

While SaskFILM choices have been within the general framework of a balanced approach to industry development, if there is an interest in improving attention to cultural objectives, direction from the province is needed with clear statements of what impacts the agency is intended to produce.

An increase in the amount available to SaskFILM for development programs and equity investments would likely increase the impact of provincial investment in production, even if it is offset by a reduction in the cost of the SFETC.

Realistic industry performance expectations that reflect the level of investment the province is making in the industry within a clear policy framework, will inform SaskFILM program priorities and strategic development approach.

SCN

SCN has re-defined the direction of the network to include more Saskatchewan and prairie-focused programming.

This has lead to an increase in the number of Saskatchewan productions supported by the network. SCN is considered a crucial component for the Saskatchewan film and television industry due to its ability to license projects for broadcast. An increase to the amount available to SCN in license fees, even if offset by a reduction in the cost of the SFETC, would likely increase the cultural impact of the provincial investment in productions and encourage more Saskatchewan stories to be produced for television audiences.

Saskatchewan Film Employment Tax Credit (SFETC)

The SFETC was designed to increase industry production levels and it has clearly been effective in this respect.

Production levels jumped 100% to $52.2M the first year the SFETC was introduced and the six-year average has been $39M. It is reasonable to expect that this growth trend will continue provided the SFETC remains in place.

The SFETC funding has been increasing as a percentage of the total production volume.

This trend will continue unless adjustments are made to limit the extent of deeming allowed on a given production. The current tax credit program leaves the province vulnerable to obligations to support foreign productions that many have low economic and cultural benefits to the province. Other adjustments may also be considered to maximize the cultural and economic benefits of SFETC productions to the province. Any adjustments to the SFETC require further consultation with industry stakeholders before they are introduced.

The cost of the SFETC cannot be contained as the program is designed to respond to industry growth, however, the program could be better managed to keep the costs within a realistic budget projection based on anticipated industry growth.

The Departments of Finance and Culture, Youth and Recreation track the costs of the SFETC differently. The Department of Finance accounts for the cost of the program when the tax credit is claimed. Amounts committed that have not yet been claimed are not recognized in budget projections. At any given time, there may be $10M in payment pending for productions that already occurred. Adjustments to reporting practices between the two departments would ensure the status of SFETC commitments is understood.

Because the SFETC program is not as competitive as it once was, it may not be as effective at increasing production levels, but it is still a good program that will continue to support indigenous production and encourage a modest rate of growth.

If the tax credit is maintained without a cap on the basic credit offered, the growth of the industry will be supported. Managed growth that is in step with increased local production capacity is most effective in maximizing benefits to the province.

The rural bonus is not achieving intended results as much as it has been effective in encouraging the development of Regina and area as a production centre.

Even though Regina and surrounding communities have been the greatest beneficiaries of the rural bonus, the rural bonus still makes the use of unique locations throughout the province more feasible. The rural bonus helps compensate for the added costs of using a unique location that is away from a major production centre. Saskatoon has fewer advantages of Regina as a production centre, which makes shooting in Saskatoon more costly. Extending the rural bonus to include Saskatoon would make Saskatoon at least as attractive as other potential production locations.

Allowing an interim tax credit filing to support growth would help stabilize Saskatchewan production companies.

The most critical challenge facing Saskatchewan production companies is managing the cost of increased production. The tax credit is refundable and projects are structured so that the credit is invariably paid out. Producers often bridge finance the cost of production until the tax credit is received. This weakens the corporate stability of the production company. An adjustment in the filing deadline to allow an interim filing consistent with the current regulations under the Federal tax credit program would help alleviate this problem. Given the above, adjustments to improve effectiveness of the SFETC in addition to those noted for consideration of cultural and economic impact, are:

- Require a preliminary application filing for deeming requests in addition to the final deeming training plan.
- Reconsider intent of rural bonus – depending on the public interest, consideration of a revised bonus that rewards cultural and/or regional development may be of value.

Canada-Saskatchewan Production Studios

The Soundstage is well utilized by the production industry and is a long-term investment in infrastructure necessary to make Saskatchewan a viable production centre.

The production facility opened in the fall of 2002 after the peak production season and had a slow start. The facility was well used in the 2003 production season and SaskFILM reported that the facility is now fully booked between May and October 2004. Projected rental revenues are on target and sufficient to cover the operational cost of the facility.

The Soundstage business plan requires a level of production that can only be achievable through the growth of the SFETC.

The Soundstage business plan projects the facility will earn enough revenue not only to cover operational costs but also to pay back the loan to SPMC in just seven years. The industry volume would need to double to meet the revenue targets projected in this plan. This may not be desirable even if this ambitious production target was met, as the draw on the SFETC program to support that level of production would have to increase dramatically. As the local production capacity is currently insufficient to support that level of production, the net return to the province would also be negative. While such growth projections are ambitious, the current environment suggests that they are achievable as long as investment through the SFETC continues at the current level.

If government considers options to limit the SFETC, then an adjusted loan repayment schedule based on realistic and manageable production volumes will be necessary. This would relieve SaskFILM of considerable pressure to earn revenue from the facility by encouraging higher production volume regardless of other considerations.

A longer debt repayment plan with SPMC based on reliable industry volume projections would also allow the production facility to be more available to local low budget and indigenous production.

Training Programs and Incentives

The maintenance of current programs is important to the industry and will be necessary to support continued development of local production capacity in step with growth in production.

There are complex challenges inherent in training and career development for many of the demanding technical, craft and creative positions on production. In addition, the fluctuations in the industry volume from year to year present an added ongoing challenge. While there is evidence that the training opportunities offered through Job Start/Future Skills and the SFETC deeming provision have been critically important to developing skills needed to support the growing industry, it is also clear that training coordination and planning to date has been less than effective.

Plans to address training issues require further consideration by the industry and the onus is on the industry itself to make a case for a sustainable training plan when making a case for public funding support.

Rather than make specific recommendations with respect to the current industry proposal to the WEPA program, or for changes to specific programs, this review serves to inform those involved in decision-making with respect to film industry training programs.

There is clearly a need for an ongoing, coordinated and accountable approach to training for all skill areas, including attention to producer business skills and other above-the-line positions.

Coordination through one agency would allow improvements in effectiveness and efficiency.

Any potential support by government should be on condition that the industry proposal includes the following elements:

- Consolidation of all industry-based film training programs and services within SaskFILM and assignment of the film industry training coordinator role to the film agency.
- An accountable governance structure for the training program within SaskFILM that includes a partnership between labour and producer interests.
- Assurance that the industry has commitment and capability to support the industry share of costs and that there is a clear mechanism in place to collect the industry contributions to the program.

- A clear evaluation framework for the program that includes realistic performance expectations, measurable targets and systems in place to track key indicators.

There is a need for a comprehensive human resource development plan for the industry that is focused on the core local skill based and reliable production levels rather than focused on meeting the needs of peak production levels.

The industry will rely on partnerships with government and others to support aspects of this strategy but there must also be a clear commitment from the industry to support a sustainable training program for the long term.

Any potential support by government should consider the following elements:

- Identification of training priorities based on reliable production levels rather than peak production levels.
- Labour-driven rather than producer-driven strategies. This means strategies that are based on identified skill development priorities, rather than training strategies designed to meet the convenience of specific productions.
- Industry partnerships to support flexible approaches to training to compliment on-the-job training offered through Job Start/Future Skills and the tax credit. Alternative training activity may include offset mentorship, workshops and funds for low-budget drama productions. Partnerships to address special training require specific groups such as Saskatoon-based and Aboriginal initiatives. To date this kind of activity has been supported by the industry through a voluntary levy on deemed labour.
- Continued partnership with Job Start/Future Skills and SIAST to deliver industry courses.
- Adjustment to the training plan submission process to allow for the submission of a preliminary training plan in advance of the full training plan submission. A preliminary plan will allow more time for the effective review and development of training plans in advance of the production start date.

Training Program Coordination

There is overlap of roles and inefficiencies in the coordination of training programs. This includes administration of the SFETC deeming provision, Job Start/Future Skills, industry based training, and Crew Call. As a result, the provincial investments in training programs have not been as effective as they might have been. It is also very difficult to assess the effectiveness of these programs due to the lack of reliable data. The training coordination of training programs should be streamlined through one agency with meaningful involvement of labour and producer groups. As SaskFILM has responsibility to administer the SFETC this report concludes that SaskFILM is in the best position to take over the training coordination role from SMPIA/Crew Call. The industry and SaskFILM are in the process of considering restructuring options that will better support coordinated and centralized training services.

8.7 ADMINISTRATIVE ROLES AND RESPONSIBILITIES

The Department of Culture, Youth and Recreation (CYR) is in the best position to be the lead department for the cultural industries, including the film industry.

As a cultural industry the film industry has both creative and business components, however, the cultural aspects make the industry unique from other sectors and provide competing rationale for public investment. On the national level, the sector is governed through the Department of Canadian Heritage along with other cultural industries. There are advantages to keeping the responsibility for cultural industries together in one provincial department.

An interdepartmental coordinating team will increase integration and coordination of planning and policy for the film industry.

This approach has been carried out informally for a number of years. This team would include Culture Youth and Recreation, Industry and Resources, Investment Saskatchewan, Finance and Learning. A more formalized structure will signal to the industry stakeholders that a coordinated government approach is in place with respect to film industry considerations.

Further study is needed to support informed decision-making and strategic development of the film industry in Saskatchewan.

A key role for the lead provincial department is the monitoring of effectiveness informing policy direction with respect to investments in the film industry. This review was the first comprehensive study of the industry conducted by the province since 1997. Even though the scope of the review was quite broad it largely relied on available data and there was limited opportunity for stakeholder input.

The following areas were identified for further study:

- Commercial and service production industry
- Multimedia/new media production industry
- Saskatoon production industry and development strategies
- First Nation and Métis involvement in the industry and media arts and development strategies
- Production sector income and tax impact in Saskatchewan

8.8 Future Sustainability

The industry cannot be sustainable without direct government support.

This is the nature of the industry worldwide. The rationale for investment is based on the economic and cultural benefits that accrue to the province because of the ongoing investment in the industry and the evidence that shows that these benefits are achieved with minimal impact on treasury. The SFETC, SaskFILM, SCN, and other programs accessed by the industry all contribute to the sustainability of the industry.

With current incentives in place, we can reasonably expect to see continued growth. Any adjustments to those incentives will have an impact on the rate of that growth.

The core industry can realistically be expected to grow at about $5M per year. Even though some incremental growth is anticipated in the core industry, there will continue to be fluctuations from year to year depending on the number of large productions that occur. Government can accept these fluctuations in volumes and therefore accept that this will result in fluctuations in the SFETC expenditure. Another option for government would be to consider the following options. Encouragement of series production and focus on stabilization of the core industry will help minimize fluctuations in the industry.

If both economic and cultural benefits of the industry are important to the province, current incentives can be managed or redesigned to maximize these benefits and maintain minimal impact on treasury.

The SFETC is an effective mechanism for film financing of Saskatchewan productions. However, some limits on the tax credit program offset by an increase in equity financing and SCN license fees would allow more influence and competitive advantage in attracting production investment to the province for indigenous production that has high cultural and economic value to the province.

In the short to medium term, only growth that is in step with the local capacity to service that growth is of value to the provincial treasury, contribution to GDP and jobs for Saskatchewan residents.

For maximum return on investment, there must be a high level of Saskatchewan spend on productions. In peak production periods, the capacity of the local industry and support services base is exhausted, and an increase in imported labour and other services occurs. The current tax credit program is designed to support growth at all cost and does not sufficiently protect the province from supporting projects that have a low return or benefit to the province. As the SFETC funding is increasing as a percentage of the total production volume, there is trend of diminishing returns. Adjustments to film incentives can be considered that will slow growth and increase the rate of Saskatchewan spending. This will also reduce cost of the tax credit and maximize return on investments for the province.

In the long-term, strong growth now, sustained by incentives to expand capacity, may allow the province's film industry to become well established and be more sustainable down the road.

On a year-to-year basis, the cost benefit of Saskatchewan investment in the film, in particular through the SFETC, suggests that fast growth results in a decline in benefit to the provincial treasury. However, if one takes a longer view, fast growth and the use of the deeming provision of the SFETC to support that growth, is one of the most effective ways to quickly build capacity. At some point, the growth curve should level off and the return on investment will be positive once more. Such a strategy would allow the local industry to capitalize on recent successes such as *Corner Gas* and build a national and international reputation for film production.

An industry development strategy that places priority on development of a stable indigenous industry may be most appropriate for Saskatchewan.

This can be combined with high quality location and production services for those productions that bring sufficient cultural and economic benefits to the province to warrant provincial investment. In terms of Interprovincial competitiveness, Saskatchewan has some competitive disadvantages in attracting production to the province compared to other provinces. In time, Saskatchewan will likely become even less competitive compared to other jurisdictions and this will surely limit the growth potential of the industry in the province. Recognizing these limits, film incentives need to be adjusted to support maintenance of a stable core industry rather than competition for service production. To focus on the development of a stable core indigenous industry, cultural and economic benefits can be significant, even though production volume will not be as high as provinces that make larger investments to attract foreign production.

Provision of high quality location and production services can be offered along with financing to foreign productions that can demonstrate cultural and economic benefits to Saskatchewan.

Productions that do not offer these benefits are of dubious value to Saskatchewan and adjustments can be made to the tax credit program to limit access of production that is not of sufficient value to the province to warrant investment. It should be noted that, because of the structure of the SFETC, any foreign production requires local participation both at the producer level and at the crew level. Therefore, while the direct economic and cultural benefits of such productions for Saskatchewan are somewhat dubious, they do provide local producers and the film labour force with financial opportunities. These financial opportunities are essential to maintaining an adequate labour force and infrastructure so that, when high value productions do come along, we are able to capitalize on them.

8.9 Risks to Government Investment

The immediate challenges facing the industry that present risks to government investments are outlined below with strategic considerations:

Risk	Strategic Considerations
Fluctuations in industry production volume undermine the ability to build sustainable production capacity. Training occurs to meet high-end demand and then, as demand declines, new trainees do not find ongoing opportunities.	Government can choose to accept large fluctuations in production volumes and the impact that this has on financial and labour force planning. The benefit of this direction is that, when large scale, high profile opportunities come along (e.g. *Tideland* directed by Terry Gilliam), the province is able to capitalize on them and use them to promote the province. Alternatively, government can choose to strategically manage the growth of the industry by adjusting programs to reward indigenous production, managed labour force development (including appropriate career development). This would mean that many high profile foreign productions would not come to the province, but there would be continued manageable growth of the core industry. This option maximizes the economic benefits to the province and the provincial treasury.
Financial management challenges caused by rapid growth of many mid-sized production companies.	An advance credit program would help producers support rapid growth. However, a slower growth rate would reduce the need for cash flow management support.
Increased competitiveness of other provinces to attract investment and production.	Saskatchewan's film investment strategy must be based on expected results. If the province wishes to continue to grow the industry, comparison to other jurisdictions will be inevitable. Even in an environment where the strategic objective is managed growth and a strengthening of indigenous production comparisons with other jurisdictions are inevitable. All of the medium to large producers in the province work in multiple jurisdictions and will take projects to locations where they are best supported. Saskatchewan is currently doing well because its tax credit program is strong enough to compete and to offset some of the disadvantages to undertaking film production here. If this environment changes significantly, film production will follow the money.

9.0 Policy Direction and Government Options

9.1 POLICY DIRECTION

It is not the intention of this review to outline a development strategy for the industry. The industry is responsible for setting its own direction and this is being done through SMPIA, the SFPA and other industry stakeholders including the REDA film cluster initiative. This review is focused on the role of government with respect to industry support initiatives. The decisions of government with respect to the sector are informed by the conclusions that have been identified in the course of this review.

Consideration of future sustainability and program options include consideration of the value of investments from four perspectives:

1. **Fiscal Impact:**
   - Increased net revenues for the provincial treasury.
2. **Economic Impact and Development:**
   - Growth in jobs and GDP against cost of investment.
   - Economic diversity and confidence through growth in new industry, diversity in the economy, increased confidence due to the positive profile of the industry.
3. **Cultural Impact and Development:**
   - Cultural impression: increase in cultural identity and affirmation of Saskatchewan people through growth in opportunities for Saskatchewan stories, images and perspectives to be seen by Saskatchewan and global audiences.
   - Cultural expression: increase in opportunities for the creation of cultural products that reflect Saskatchewan stories, images and perspectives.
   - Growth in the cultural industries: increase in cultural career opportunities, market success and diversification of cultural products.
   - Cultural diversity: cultural development opportunities and products reflect the diversity of Saskatchewan people.
4. **Youth Attraction and Retention:**
   - The average age of the film labour force is approximately 30. The jobs are attractive to young people and, even though the labour force is relatively small, the nature and structure of film work (itinerant, casual, periodic) provides the potential of employment to large numbers. The opportunity for periodic work in the industry may be attractive enough on its own to have an impact.

A single film policy perspective shared across government will help ensure that the performance of the industry is assessed from all four perspectives, and that realistic performance expectations are outlined based on specified priorities or on an appropriate balance of these interests considered appropriate by government and by the level of government investment involved.

9.2 PROJECTIONS FOR FUTURE SUSTAINABILITY

As in other provinces, Saskatchewan's film industry depends on ongoing provincial investment to remain viable. To date, the province has been supportive of the unique development needs of the industry. After over fifteen years of strategic development, the essential ingredients of a sustainable film industry in Saskatchewan are in place. Overall, Saskatchewan is fairly well positioned to support production and it is likely that the current incentives will result in continued growth in the industry. Any changes to the supports will affect growth.

The SFETC is critical to the maintenance of the film industry in Saskatchewan. Without this reliable source of financing, most of the film and television program production would be lost to other provinces or would not be produced. It is anticipated that if direct provincial investment in the industry ceased, the industry would immediately drop to $10M or less and would continue to decline in subsequent years. The cultural and economic benefits that are derived from the industry would be lost, as would the industry infrastructure and production capacity that has taken over 15 years to build.

Fluctuations in production volumes due to the presence or absence of large-scale foreign service productions aside, it is realistic to anticipate that the core industry will grow at a rate of approximately $5M per year from its current base of about $30M. Table 21 below provides an assessment of the impact of this growth on the SFETC. Fluctuations over these amounts due to the presence of large foreign productions would add to the cost of the SFETC.

Table 21. Projected SFETC Program Costs with steady growth of $5M per year

	2004	2005	2006	2007	2008	Average
SFETC Production	30M	35M	40M	45M	50M	40M
Cost of SFETC (@15%)	4.5M	5.25M	6M	6.75M	7.5M	6M

The net cost to government of this rate of indigenous growth would be close to because of the return on investment through tax revenues. It is the additional cost of servicing large, high profile foreign production that negatively affects government's return on investment. .

While growth in the province's film industry has been steadily positive over the last two years, it is still too early to determine that this is a firm trend. Unless there are changes to the SFETC that make the program less attractive to foreign productions, considerable fluctuation is likely to continue to occur from year to year. For instance, *Tideland*, anticipated in 2004/2005, is a $20M project that may draw $3M in provincial tax credits. A project of a similar size and scale may not appear for another two or three years. The current program is designed to be responsive to these kinds of opportunities as they arise. Fluctuations will cause higher draw on the SFETC in peak production years.

Term	Description
Above-the-line/below-the-line	Above the line and below the line are terms that relate to the film production budget. Positions that are above the line in a production budget are all producer positions; writers; directors; star performers (other actors are below the line). Below the line includes all other production expenses.
ACTRA	Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) - a national organization of 18,000 Canadian performers working in the English-language recorded media: film, television, video and all other recorded media. There are 10 ACTRA Branches in Canada including ACTRA-Saskatchewan.
CAVCO	Canadian Audio Visual Certification Office (CAVCO) is the federal office responsible for approving the eligibility of production to qualify for the federal tax credit. This includes Canadian content recognition and establishment of eligible expenses.
Cultural Industries	Cultural industries involve the production of cultural products for market. All cultural industries rely on a combination of creative and business ability. In Saskatchewan, this term generally refers to the industries of book publishing, crafts and visual arts, film and video, and music and sound recording.
Deferrals/Producer Deferrals	Deferrals are sometimes used when insufficient financing has been secured from other sources. This involves the producer, or others working on the production, committing to cover the shortfall in costs by deferring their fees, so that the project can proceed. The required financing may be raised later and the deferrals are then paid out. If this occurs, they are no longer recorded as deferrals. Project investors and funders may accept some amount of deferrals as part of the project financing plan, however, the value of deferrals are not included in the calculation of tax credits unless they are paid out within a specified timeframe.
DGC	Directors Guild of Canada (DGC) is a national labour organization that represents key creative and logistical personnel in the film and television industry. Saskatchewan is one of seven district councils across the country.
Film Industry/Motion Picture Industry	Except where specifically noted, the generic term "film industry" or "motion picture industry" is used throughout this report to refer to the whole sector of film, video, television and new media production.
Foreign Production Service Production Off-shore Production	Generally refers to productions initiated by non-Saskatchewan producers that make use of Saskatchewan as a production location. In Saskatchewan this usually occurs through partnership with a Saskatchewan producer in order to access the provincial tax credit. Some provinces offer a lower tax credit rate for foreign production.
IATSE	International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada. (IATSE) With a membership of over 104,000 members, IATSE is the largest labour union in the entertainment and related industries and was formed more than a century ago. Active chapters in Saskatchewan are IATSE 295, Regina; IATSE 300, Saskatoon (mixed locals representing Stage, Projection and Film Production members), also IATSE 669, Vancouver (represents Camera Department members throughout the Western Canada region).

Term	Description
Indigenous production	Generally refers to domestic production in contrast to foreign or service production. An indigenous production industry generates film and television made in Saskatchewan by Saskatchewan people, and tends to reflect Saskatchewan content and perspectives. The project tends to originate in the province and involves key personnel in creative positions during the development stage.
Media Arts	Media arts refer to film, video, new media, and audio artworks; new media, a more specific term, refers to interactive technology-based arts. Examples of media art projects include experimental films and videos, interactive multimedia installations, audio CD soundscapes, and personal documentaries. Media art projects are generally artist-driven, meaning that the artist initiates the project and maintains complete creative and editorial control over the work.
Motion Picture	Used in this report to refer to a broad range of media production including film, video, and multimedia.
New Media/Multimedia	The terms "new media" and "multimedia" are often used interchangeably to refer to the convergence of computer mediated multi-sensory experience of audio, text, motion picture, graphic and visual images that are used to convey content for information, cultural or entertainment purposes. New media refers to many different forms of electronic communication that are made possible using computer technology. The term generally relates to interactive media and is distinct from "old" media forms, such as print newspapers and magazines that are static representations of text and graphics, and more traditional motion picture media of film and video that do not change once they are created. Today, films and videos frequently incorporate computer-based and interactive technologies and make use of new media forms such as web sites to compliment traditional forms of audience development and marketing. Examples of new interactive media are: websites and web advertising, chat rooms, on-line communities, email, DVD and CD-Rom media, and virtual reality technologies.
Production Volume	Production volume is measured by total production costs for projects shot in a given year. For Saskatchewan production it is generally represented in $millions.
Refundable Tax Credit	Generally, tax credits are deductions from taxes paid or taxes owing. In the case of a refundable tax credit, it is not necessary that the tax credit be applied against taxes paid or owing. The full value of the tax credit is refunded to the applicant even when the applicant has paid no income taxes.
SFETC	Refers to the Saskatchewan film employment tax credit program.
SNMDA	Saskatchewan New Media Developers Association (SNMDA). Represents eight new media companies in Saskatchewan.

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A. Terms of Reference:

SASKATCHEWAN FILM AND VIDEO INDUSTRY REVIEW - 2004

Objective

The purpose of the review is to evaluate all current incentives for the Saskatchewan film and video industry for effectiveness and competitiveness. Based on the results of that review, government will develop a revised strategy for its role with respect to the film and video industry.

Considerations in the development of a revised strategy include:

- Economic and cultural impact of the industry in Saskatchewan
- Current status of industry: identified issues and challenges
- Future sustainability of industry: level of investment needed for sustainable economic and cultural benefits
- Adjustments to administrative support and existing programs to maximize effectiveness

Project Team Organization Methodology

The review will be managed by a project team consisting of representatives from Culture, Youth and Recreation; Finance; Industry and Resources; Crown Investments Corporation; Learning; and Saskatchewan Communications Network.

Cultural Policy Unit of Saskatchewan Culture, Youth and Recreation will take the lead role, working in collaboration with the departments. Dawn Martin will chair the project team and Elizabeth Verrall will coordinate the project work. Gord Zakreski will provide support to the committee.

The full project team will include: Kent Campbell from Industry and Resources, Cliff Olsen from Finance, and Shelley Legin from CIC, Joan Pederson from the Cabinet Planning Unit, Rick Pawliw from Learning, and Richard Gustin from SCN. These team members will help define the scope of the review, assist with providing information for their respective areas, consider the analysis and conclusions and review the draft report.

The full project team will meet on at least two occasions:

- At the outset of the review process to ratify the terms of reference and the proposed scope of the review and to identify priority issues within the film and video industry.
- Prior to the conclusion of the review to discuss findings and recommendations prior to their finalization.

Further meetings will be required by the project team, they will be arranged on an as needed basis.

Key industry stakeholder representatives will meet with the full project team as a means to provide input into the review process and the final recommendations. Key stakeholders are: SaskFilm, SMPIA, and SFPA. Input from industry labour organizations: ACTRA, DGC and IATSE, may also be included in the review process.

Wherever possible, the project team will use existing sources of information for both the economic and cultural analysis (e.g. from Statistics Canada, the Economic and Fiscal Policy Branch in Finance, the Cultural and Heritage Branch of Culture, Youth and Recreation, SaskFilm and other reports).

Other provincial jurisdictions will be consulted to ensure both existing programs and any proposed alteration to those programs is considered in the analysis.

Scope of the Review: The review will:

- Assess the *cultural impact* of government spending to support an indigenous film and video industry in Saskatchewan by:
  - Identifying practical cultural impact indicators
  - Summary and analysis of available cultural impact data

- Assess the *economic impacts* of provincial support for the film and video industry by:
  - measuring provincial funding government support (both direct and indirect) for the film and video industry
  - measuring federal funding for the Saskatchewan industry
  - Estimating the economic and job creation impacts of government support compared to other industries

- *Provide a summary and analysis of the current state* of the industry including:
  - the total value of productions and the types of productions being undertaken
  - the rate of industry growth and projections based on existing level of infrastructure and investment
  - comparing Saskatchewan's support for the industry to other provinces to assess our competitive position
  - identify issues with respect to the sustainability and growth of the industry in Saskatchewan

- *Recommendations on future direction of the industry*
  - Identification of intended outcomes of film incentives that can be used to monitor industry success
  - Consideration of the sustainability of the film and video industry in Saskatchewan including the sustainability of current and proposed incentives
    Note: for the purpose of this review, sustainability is defined to mean:
    - the level of investment necessary to remain competitive in the national film industry
    - whether or not that investment would provide the province with an appropriate return to the province's economy and cultural life
  - Recommended program adjustments to improve effectiveness
  - Consideration of the appropriate roles and responsibilities for the provincial departments and agencies involved in the industry

B. Source List

- A Cultural Industries Development Strategy for Saskatchewan, presented to the Minister of Saskatchewan Municipal Government (now Culture, Youth and Recreation) by the Cultural Industries Development Strategy Committee, June 1997.
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- Saskatchewan Communications Network Annual Reports, 1998 – 2003.
- Saskatchewan Film and Television Industry Overview: Impact and Strategy, SaskFilm, December 2003.
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- Telefilm Canada Regional Breakdown of Telefilm Commitments, provided by Policy, Planning and Research Department of Telefilm Canada. March 2003.
- The Status of the Media Arts in Saskatchewan, Loretta Paoli, commissioned by the Saskatchewan Arts Board in collaboration with Vasculature Inc., December 2003.
- Our Cultural Sovereignty: The Second Century of Canadian Broadcasting, Standing Committee on Canadian Heritage, Chaired by Clifford Lincoln, MP, June 2003.

C. Saskatchewan Film Employment Tax Credit (SFETC) Summary Data (as of March 1, 2004)

						YTD	Total	Average	%
Fiscal	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**	**1998 -2003**	**1998-2003**	**Total**
Total Production Volumes	$52,162,104.66	$17,127,847.83	$48,613,328.86	$24,540,762.39	$42,835,640.54	$39,915,427.55	$225,195,112	$37,532,519	100.0%
Total SK Spend	$27,604,492.08	$12,416,674.45	$33,665,406.43	$17,599,456.16	$27,474,324.43	$22,555,681.50	$141,316,035	$23,552,673	62.8%
Total Labour	$24,275,262.24	$8,443,337.56	$29,883,708.87	$15,060,489.06	$25,434,636.73	$21,544,827.08	$124,642,262	$20,773,710	55.3%
Total SK Labour	$11,945,218.17	$6,742,285.28	$15,196,594.42	$9,908,113.91	$13,556,612.50	$12,456,893.51	$69,805,718	$11,634,286	31.0%
Total Deemed Labour	$3,806,599.84	$405,034.30	$4,829,311.98	$333,129.00	$6,511,893.04	$4,747,668.00	$20,633,636	$3,438,939	9.2%
Total Rural Bonus	$492,220.57	$136,614.35	$27,650.31	$110,727.55	$147,447.92	$620,568.04	$1,535,229	$255,871	0.7%
Total Labour Tax Credits	$5,824,982.64	$2,414,748.09	$6,737,675.62	$3,439,631.99	$6,674,647.12	$6,546,457.31	$31,638,143	$5,273,024	14.0%

Total Provincial Government Funding									
SCN	$ 513,600.00	$356,400.00	$354,000.00	$218,500.00	$356,850.00	$262,500.00	$2,061,850	$343,642	0.9%
SaskFilm	$1,320,028.00	$251,660.00	$433,112.00	$354,738.58	$734,458.00	$130,000.00	$3,223,997	$537,333	1.4%
Other Public	$843,333.00	$126,095.00	$190,117.00	$41,181.25	$419,767.00	$20,000.00	$1,640,493	$273,416	0.7%
Tax Credit	$5,824,982.64	$2,414,748.09	$6,737,675.62	$3,439,631.99	$6,674,647.12	$6,546,457.31	$31,638,143	$5,273,024	14.0%
Total	**$8,501,943.64**	**$3,148,903.09**	**$7,714,904.62**	**$4,054,051.82**	**$8,185,722.12**	**$6,958,957.31**	**$38,564,483**	**$6,427,414**	**17.1%**

Total Federal Government Funding									
Canada Council		$16,000.00	$60,000.00				$76,000	$38,000	0.1%
CBC	$1,405,561.67	$198,680.00	$361,806.00	$ 276,000.00	$684,882.00	$30,000.00	$2,956,930	$492,822	1.3%
CIDA		$75,000.00	$115,000.00			$85,500.00	$275,500	$91,833	0.2%
CTF	$4,610,871.75	$1,259,061.70	$2,978,860.80	$2,790,421.00	$3,335,418.00	$2,286,820.00	$17,261,453	$2,876,909	7.7%
NFB	$387,603.60	$309,585.00	$15,000.00		$3,000.00	$3,000.00	$718,189	$143,638	0.4%
Tax Credit	$2,242,446.41	$971,543.44	$2,352,984.06	$1,534,961.02	$2,165,898.80	$2,826,478.00	$12,094,312	$2,015,719	5.4%
Telefilm	$ 6,375,326.00	$1,281,018.00	$3,377,303.00	$1,387,702.00	$2,620,698.62	$1,186,424.00	$16,228,472	$2,704,745	7.2%
Total	**$15,021,809.43**	**$4,110,888.14**	**$9,260,953.86**	**$5,989,084.02**	**$8,809,897.42**	**$6,418,222.00**	**$49,610,855**	**$8,268,476**	**22.0%**

Ineligible Financing									
SCN	$513,600.00	$356,400.00	$354,000.00	$218,500.00	$356,850.00	$262,500.00	$2,061,850	$343,642	0.9%
SaskFilm	$1,320,028.00	$251,660.00	$433,112.00	$354,738.58	$734,458.00	$130,000.00	$3,223,997	$537,333	1.4%
CIDA		$75,000.00	$115,000.00			$85,500.00	$275,500	$91,833	0.2%
Other Public	$1,006,419.00	$174,095.00	$391,217.00	$139,781.25	$479,767.00	$30,000.00	$2,221,279	$370,213	1.0%
Deferrals	$110,505.00	$834,947.00	$4,759,716.27	$69,774.00	$264,609.19	$228,400.00	$6,267,951	$1,044,659	2.8%
Total	**$2,950,552.00**	**$1,692,102.00**	**$6,053,045.27**	**$782,793.83**	**$1,835,684.19**	**$736,400.00**	**$14,050,577**	**$2,341,763**	**6.2%**

D. Saskatchewan Film and Video Production Companies

Identified as active in 2003

Production Company	Location	Principle(s)
3rd Eye Media Productions Inc.	Regina	Richard Diener
4 Square Productions	Regina	Gerald Sperling
Access Communications	Regina	Gursh Madhur
Ag Com Productions Ltd	Regina	
Angel Entertainment Corp	Saskatoon	Wally Start / Bob Crowe
Autumn Productions Inc.	Regina	Dave Hanson
Bellimage Inc.	Regina	Brett Bell
Big Cow Productions	Regina	Jason Huber
Birdsong Communications	Regina	Don List
Blue Hill Productions	Saskatoon	Doug Cuthand
Blue Thunderbird		Evelyn Poitras
Bob Rock Productions		Bob Rock
Cinepost Films	Saskatoon	Bill Stampe
Cooper Rock Pictures Inc.	Regina	Lori Kuffner
CTV - Saskatchewan - Indigenous Circle	Saskatoon	Gerald MacLeod
Dacian Productions Inc.	Regina	Jarrett Rusnac
Dark Thunder Productions Inc.	Saskatoon	Dennis Jackson
dblack.communications	Saskatoon	Deborah Black
Downstream Pictures	Saskatoon	George Hupka
EarthSeeker Multimedia	Balgonie	Bob Long
Edge Entertainment Inc.	Saskatoon	David Doerksen
Ehman Productions	Craik	Kim Ehman
Fahrenheit Films	Saskatoon	Tony Hyrnchuk
Fire Horse Films	Regina	Maureen Bradley
FUNdamentalist Films	Regina	Zarqa Nawaz
GIG Graphic Image	Saskatoon	Danny Semenoff
Home Quarter Productions	Regina	Ian Rogers
Incandescent Films	Fort Qu'Appelle	Donna Caruso
Independent Moving Pictures IMP Inc.	Regina	Gail Tilson
ISEE Motion Picture Company Inc.	Saskatoon	Shayne Metcalfe
JR Productions Inc.	La Ronge	Ray Ramayya
Kahani Entertainment Inc.	Saskatoon	Anand Ramayya
Live Wire Video Productions Inc	Regina	Susan Risk
Mantle Media	Regina	Simon Nakonechny
Mark Wihak	Regina	Mark Wihak
McFlett Productions	Regina	David Flett / Cherie McCorm
Media Group	Saskatoon	James Burton
METCOM Productions Inc.	Regina	Ken Schaffer

Milo Productions Inc.	Saskatoon	Michael Milo
Minds Eye Pictures	Regina	Kevin DeWalt
Missinipi Broadcasting	La Ronge	Angie Campbell
Morgan Productions	Saskatoon	June Morgan
Munjoosh Media	Saskatoon	Ian Roach
Neo-Clio Ltd.	Saskatoon	Bob Lindsay
Novina Motion Pictures Inc.	Regina	Jan Zarzycki
Partners in Motion	Regina	Ron Goetz / Chris Triffo
Pictograph Productions	Saskatoon	Thirza Jones
Rattlesnake Films	Regina	Rob King
Rosine Garabedian - Working for Joy	Saskatoon	Rosine Garabedian
Saskatchewan Filmpool Cooperative	Regina	Various
Sergi Romanoff Productions - The Bench	Saskatoon	Sergi Romanoff
Shadowland Moving Pictures Co. Ltd.	Saskatoon	Ian Preston
Skydance Entertainment - Agri-biz	Saskatoon	Darelen Forst
Soundings/Steele Inc.	Regina	Bruce Steel
Spiral Communications Inc.	Regina	Judith Silverthorne
T 3 Digital Productions	Saskatoon	Torin Stephanson
Thomega Entertainment Inc	Saskatoon	Tony Towstego
Time Code Productions	Regina	Stephen Onda
TLC Concepts and Productions Ltd.	Saskatoon	Tiffin Kaaras
Verite Films Inc.	Regina	Virginia Thompson
Video Verite / Paved	Saskatoon	Various
Wesakechak Animated Productions Inc.	Saskatoon	Tim Tyler
WestWind Pictures Ltd.	Regina	Michael Snook
Wolf Sun Productions	Regina	Steve Wolfson
woodard.tv	Regina	Bradley Woodard
Y'utthe Askiy Productions Ltd.	LaRonge	Angie Campbell / Susan McKenzie
Zima Junctions Productions	Regina	Robin Schlat
Zoot Capri Entertainment	Regina	Leslia Mair / Leif Storm Caldor
Total Active Producers 2003		**65**

E. Film and Video Production Positions

PRODUCERS
Executive Producer
Producer
Co-Producer
Line Producer
Associate Producer
Assistant to the Producer
Producer Intern

ART DEPARTMENT *(DGC)*
Production Designer
Art Director
Assistant Art Director
Art Department Production Assistant

ART DEPARTMENT *(IATSE)*
Graphic Designer
Draftsperson
Art Department Coordinator
Story Board Artist
Computer Graphics (CGI) Coordinator
Animation Artist
CGI Animator
CGI Modeler

CAMERA *(IATSE 669)*
Director of Photography/Cinematographer
Camera Operator
Focus Puller
1st Camera Assist
2nd Camera Assist
3rd Camera Assist
Clapper/Loader
Camera Trainee
Steadicam Operator
Videographer

CASTING *(IATSE)*
Casting Director
Assistant Casting Director
Casting Assistant

CONSTRUCTION *(IATSE)*
Construction Coordinator
Assistant Construction Coordinator
Head Carpenter
Assistant Head Carpenter
Carpenter
Finishing Woodworker
Scenic Painter
Lead Painter
Sign Painter
Painter

CONTINUITY/SCRIPT SUPERVISOR *(IATSE)*
Script Supervisor (Continuity)
Assistant Script Supervisor

CRAFT SERVICES *(IATSE)*
Key Craft/First Aid
Assistant Craft Services
Craft Buyer
Catering (typically contracted out)

DIRECTOR/ASSISTANT DIRECTOR *(DGC)*
Director
1st Assistant Director
2nd Assistant Director
3rd Assistant Director
Training Assistant Director (TAD)
Floor Director

ELECTRICS *(IATSE)*
Gaffer
Best Boy Electric
Electrician
Rigging Gaffer
Generator Operator

GRIPS *(IATSE)*
Dolly Grip
Key Grip
Best Boy Grip
Grip
Rigging Grip
Swing (between Grip & Electric Departments)

HAIR *(IATSE)*
Key Hairdresser
Assistant Hairdresser

LOCATIONS *(DGC)*
Location Manager
Assistant Location Manager
Location Scout
Location Security
Location Lock Off
Location Production Assistant

MAKE UP *(IATSE)*
Key Make Up
Assistant Make Up
Special Effects Make up

POST PRODUCTION *(DGC)*
Editor
Assistant Editor
Music/Sound Editor
Special Effects Editor
Animation Artist
Post Production Coordinator
Post Production Sound Coordinator

PRODUCTION OFFICE *(DGC)*
Production Manager
Assistant Production Manager
Unit Manager
Production Coordinator
Assistant Production Coordinator
Office Production Assistant
Set Runner
Production Accountant
Assistant Production Accountant
Production Bookkeeper
Accounting File Clerk

PROPS *(IATSE)*
Props Master
Assistant Props Master
On Set Props Dresser
Props Buyer
Special Effects Coordinator
Pyrotechnic Specialist

SET DECORATOR *(IATSE)*
Lead Set Decorator
Set Decorator
Set Dresser
On Set Dresser
Lead Buyer
Buyer
Greensperson

SOUND *(IATSE)*
Sound Mixer/Engineer
Boom Operator
Sound Recordist
Voice Over Recordist
Foley Artist
Cable Puller

STORY DEPARTMENT
Screenwriter
Executive Story Editor
Story Editor
Researcher
Writer
Story Department Coordinator

F. List of FETC Involved Productions 1998 – 2003

2003 Projects	Genre
renegadepress.com (online)	Children's
renegadepress.com	Children's
Black Tuesday	Documentary
Pierre le Canadien	Documentary
Grassland Transfer	Documentary
Between the North Pole & New York City	Documentary
Transformation: The Healing of Little Jimmy	Documentary
Disasters of the Century VI (32-39)	Documentary
Trading Places II	Documentary
Moccasin Flats	Dramatic Series
Corner Gas	Dramatic Series
You May Now Kill The Bride	Feature Film
I Accuse	Feature Film
Hollywood Flies	Feature Film
Caught in the Headlights	Feature Film
Mary Higgins Clark - Episodes 1-3	MOW
Different	Music video
What Do I Gotta Do?	Music video
Turn! Turn! Turn!	Music video
@ Wood River Hall	Variety
2002 Projects	**Genre**
Legends of Wesakechak	Animation
Prairie Berry Pie II	Children's
2030CE II	Children's
Searching For Confucius	Documentary
Vietnam: Canada's Unknown War	Documentary
Web Watch TV	Documentary
Chat Addicts	Documentary
Message From The Kids, A: Ep 4 & 5	Documentary
Legend Hunters (Myths and Legends)	Documentary
Time and Place	Documentary
Future Medicine	Documentary
Crime Stories	Documentary
Disasters of the Century IV (14-18)	Documentary
English Teachers II	Documentary
Sex Lives	Documentary
Mandela's Sash	Documentary
A New Life in a New Land	Documentary
Stage, Screen and Reserve: The Life and Times of Gordon Tootoosis	Documentary
Poor Man's Heroin	Documentary
Nettie Wiebe	Documentary
Back To Everest	Documentary
Ekospi Namew - At the Time of the Sturgeon	Documentary
Just Cause	Dramatic Series
Body & Soul	Dramatic Series
Designer Guys III	Educational
Web Watch Multimedia	Educational
Entertainment West	Educational
Wisher, The	Feature Film
Pedestrian, The	Feature Film
Lost Angel, The	Feature Film
Suspense Theater	Feature Film
Falling Angels	Feature Film
High School: Confidential	Magazine
Sweetness In Life	Magazine
IN:culture	Magazine
Betrayed	MOW
Hello	Music video
Youkali Hotel	Performing Arts
Edible Shorts	Performing Arts
2001 Projects	**Genre**
Elfkins First Christmas	Animation
Incredible Story Studio V	Children's
2030CE I	Children's
Christmas At Wapos Bay	Children's
Disasters of the Century III	Documentary

Voices of War: Korea	Documentary
Very Odd Jobs	Documentary
Friends First: The Story of Team Schmirler (When the Time is Now)	Documentary
Karaoke Night at the Plains	Documentary
Trading Places	Documentary
Baby Crash	Documentary
Fire In The Soul	Documentary
Extraordinary Lives (aka Ordinary People)	Documentary
Out In The Cold	Documentary
R. I. P. Great Cemeteries of the World	Documentary
Learning To Hear	Documentary
Leap of Faith: The Nicole Watt Story	Documentary
What The Eyes Don't See	Documentary
Water, Water	Documentary
Dying To Be Free	Documentary
Scarred By History #7 - The Wars Against the Gypsies	Documentary
English Teachers	Dramatic Mini-Series
Prairie Farm Report IV	Educational
Prairie Farm Report V	Educational
I Downloaded a Ghost	Feature Film
Shot In The Face	Feature Film
Risen, The	Feature Film
Relaxones	Interstitial
Hit, The	MOW
Perfect Practice	Multimedia
Beautiful Slide	Music video
My Global Adventure	Variety
Designer Guys II	Variety

2000 Projects	Genre
Incredible Story Studio IV	Children's
Myth Quest	Children's
Scarred By History: Paradise Lost , Ep. 3	Documentary
One Life Waiting (aka Families In Waiting)	Documentary
METCOM	Documentary
Thunder Breeding Hills, The	Documentary
Wild Lives I	Documentary
Among The Disappeared	Documentary
Out From Underground	Documentary
Canadian Women of Courage	Documentary
Disasters of The Century II	Documentary
Victoria Cross	Documentary
Soldier's Voice II, A: VOICES OF WAR	Documentary
Canada Remembers 2000	Documentary
. . . not just camping & cookies	Documentary
To The Health Of Us All	Documentary
Weather: Untamed	Documentary
Ebola War: The Nurses of Gulu	Documentary
All For One: The Story of Canada's All American Baseball Girls	Documentary
Earth Detectives: In Search of T. Rex (Dinosaur Hunters)	Documentary
End of Empire	Documentary
Risk TV	Dramatic Series
Prairie Farm Report III	Educational
CS Solutions I	Educational
Dreamtime	Feature Film
Murder Seen	Feature Film
Now and Forever	Feature Film
Solitude	Feature Film
Unsaid,The (aka Sins of the Father)	Feature Film
This Small Space V	Magazine
Impossible Elephant,The	MOW
highlightreels.com	Multimedia
Harmony Digital	Multimedia
Genetyx/Mendel High	Multimedia
Designer Guys I	Variety
Dining With Bruce	Variety

1999 Projects	Genre
Prairie Berry Pie I	Children's
Incredible Story Studio III	Children's
Soldier's Voice I, A	Documentary
Disasters of the Century I	Documentary
Beyond Medicine II	Documentary
Time For Courage, A	Documentary
Nanjing Nightmares (aka A Story Full of Tears)	Documentary
CFL: A Franchise Story	Documentary
Trombone: The Voice of God	Documentary
To Colonize A People	Documentary
This Small Space IV	Documentary
Hello . . . Africa Calling	Documentary
13 Seconds: The Day The War Came Home	Documentary
Sister Kay	Documentary
Memory Trail	Documentary
Beyond Medicine III	Documentary
Perfect Divorce, The	Documentary
Screwheads	Dramatic Series
Prairie Farm Report II	Educational
Skipped Parts	Feature Film
Borderline Normal	Feature Film
Without Malice	Feature Film
Ryan's Babe	Feature Film
Between The Lines (aka Media Literacy)	Multimedia
1998 Projects	Genre
Incredible Story Studio II	Children's
Incredible Story Studio I	Children's
Scarred By History	Documentary
Seasons of the Eider	Documentary
Canola Jungle, The	Documentary
Beyond Medicine I	Documentary
They Live To Polka	Documentary
Earth's Garden, The	Documentary
Roger Ing's Utopia	Documentary
Survivors	Documentary
Ground Zero	Documentary
Birdman	Documentary
Mountain of Gold	Documentary
Two-Gun Cohen	Documentary
Heart Becomes Quiet, The	Documentary
Message From The Kids, A: Ep 2 & 3	Documentary
Betting The Farm (aka Growing Trade)	Documentary
Wide Mouth Mason . . . Playing With Poison	Documentary
Near To Nature's Heart	Documentary
Big Bear	Dramatic Mini-Series
Maximum Dimension I, The	Dramatic Series
Maximum Dimension II, The	Dramatic Series
This Small Space I	Educational
This Small Space II	Educational
This Small Space III	Educational
Prairie Farm Report I	Educational
Cotters Wilderness Trails II	Educational
Held Up (aka Inconvenienced)	Feature Film
Dark Summer	Feature Film
Sparkle	Feature Film
Black Light	Feature Film
Something More	Feature Film
Dinosaur Hunter	Feature Film
Revenge of the Land	MOW
Stranger In Town, A (aka Bad Prospect)	MOW
Finding The Balance	Multimedia
Story Quest (aka Gabriel's Story)	Multimedia
Wetland Explorer	Multimedia
People In Their World	Multimedia
Ecoregions of Saskatchewan	Multimedia
Schubertiad - Somewhere on the Prairie	Variety

G. Cultural Impacts of Saskatchewan Productions

Examples of Saskatchewan film and video productions are provided below to illustrate how the industry provides cultural benefits to Saskatchewan. These examples were provided by SaskFilm and SCN for the purpose of inclusion in this report.

** Indicates productions developed and licensed for broadcast by SCN. Most of these productions would not have been made without SCN support.*

***Cultural Identity** - The following are examples of Saskatchewan productions that reflect the province's cultural identity:*

- ***125 Heroic Years – An Interactive History of the RCMP** – In celebration of the 125th anniversary of the RCMP, this interactive CD ROM provided an opportunity for a Saskatoon based production company to produce a project on Canada's #1 cultural identity.
- ***Approach to a Sacred Place** – The art of Otto Rogers. A one-hour documentary produced by Film Crew Productions of Regina.
- **Big Bear** – TV mini series chronicles the life of Chief Big Bear. Filmed completely on the Pasqua First Nation, the production illustrates the historical and political significance of Chief Big Bear's peaceful struggle for independence against the European settlers in Saskatchewan. The project featured many Saskatchewan actors and was broadcast nationally on CBC Television.
- **Corner Gas** – Set in the fictional Saskatchewan town of "Dog River" and filmed in Rouleau, Saskatchewan, this hit comedy series stars Saskatchewan actors Brent Butt, Eric Peterson and Janet Wright. Tisdale born and raised Brent Butt created and wrote this series based on his experiences in growing up in small town Saskatchewan. The series clearly highlights the benefits of rural life and the outstanding level of talent in the Saskatchewan film and television industry.
- ***Eli's Lesson** – one-hour drama produced by Minds Eye Pictures. One of Saskatchewan's first drama successes, this program follows the adventures of a Hutterite boy who dreams of being a pilot.
- ***Expressions** – Saskatchewan Visual Arts and Artists – six-part series on the visual arts and the people who make art in Saskatchewan. Produced by Shadowland Moving Pictures, Saskatoon.
- ***Fiddlers on the Lake** – One-hour documentary on the Emma Lake Fiddle Camp held every summer in northern Saskatchewan. Produced by Birdsong Communications, Regina.
- ***Friends First: The Story of Team Schmirler** – This one-hour documentary chronicles the rise to Olympic Gold by the Sandra Schmirler Curling Team. This production was developed and broadcast by SCN and commissioned and broadcast by CTV.
- **Hello…Africa Calling** – this one-hour documentary explores the human impact of SaskTel bringing global communications technologies to one of the poorest areas in the world.
- ***Like Mother, Like Daughter** – A one-hour documentary on the music and music careers of Regina's Elizabeth and Erica Raum. Produced by Brian Stockton, Pinball Pictures, Regina.
- **Revenge of the Land** – Based on the 1992 Governor Award winning novel by Saskatchewan writer Maggie Siggins, the mini series is set in turn of the century Saskatchewan. This production centres on a struggle for power between two powerful ranching families. The project was filmed completely on location in Saskatchewan and was broadcast on CBC in 2000.
- **Conquest** – Feature film stars Lothaire Bluteau as an idealistic banker in the small town of Conquest, Saskatchewan who tries to make the small town work even though much of its youth has moved away. A light romantic comedy with a message about the state of rural communities.

Cultural Diversity *- The following are examples of Saskatchewan productions reflecting the diversity of Saskatchewan people:*

- ***Christmas in Wapos Bay** – directed and produced by Dennis Jackson, Dark Thunder Productions, this animated production focuses on three Aboriginal children who visit their grandfather on his trap line and discover some lessons about life. Featuring an Aboriginal cast and crew, this project earned many awards at the Yorkton Short Film and Video Festival.

- **Cosmic Currents** – Anand Ramayya's spirited look at his own unique East Indian family from the northern Saskatchewan town of La Ronge was produced in conjunction with the National Film Board of Canada. While his father makes low-budget Bollywood films and his brother is a rising pop star in Japan, his mother becomes fed up with the drain on the family finances and becomes ill. This is a charming look inside an unlikely family living in northern Saskatchewan. Broadcast on CBC Newsworld's reputable documentary program, Rough Cuts in Spring, 2004.

- ***Heartbeat of the Earth I, II & III** – series of programs produced by Y'Utthe Askiy Productions/Missinippi Broadcasting of La Ronge which look at stories and issues to northern Saskatchewan residents. Produced in the original Aboriginal language and sub-titled in English.

- ***Metcom I & II** – series of half hour programs produced by Metcom Productions of Regina which examine issues and stories of significance to the Métis peoples of Saskatchewan and Canada.

- ***Moccasin Flats** – this groundbreaking dramatic series chronicles life in inner city Regina for a group of young Aboriginal youths. Featuring an all-aboriginal cast, writers and producers, the series is a shining example of stories being told from an Aboriginal point of view. The series premiered to media acclaim on APTN in November 2003 and has been renewed for a second season.

- ***renegadepress.com** – this 13 episode dramatic youth series about a group of teenagers that run an underground internet newspaper in an inner city school features children from all walks of life and ethnic backgrounds. The series premiered to widespread media acclaim, audience response and was renewed for a second season on APTN.

- ***The Trickster – the Art of Edward Poitras** – a one-hour documentary examining the art of the Saskatchewan Aboriginal artist Edward Poitras. Produced by Reel Eye Media of Regina.

Cultural Development *- The following are examples of Saskatchewan productions that have contributed to the development of a pool of skilled professionals in the film and television industry:*

- **Mary Higgins Clark Television Movies** – this trilogy of made for television movies recently filmed in Regina were each directed by Saskatchewan directors: Rob King (Something More); Jeff Beesley (The Risen) and Will Dixon (Mentors).

- ***Saskatchewan Regional Series Pilot Project** – launched by SCN in 2003 has seen the production and broadcast of 16 regional 13 x half hour series and which have provided numerous training and development opportunities in the production of episodic television series in Regina, Saskatoon and Fort Qu'Appelle.

- ***Solitude** – written and directed by Regina director Robin Schlaht, this critically acclaimed feature film explores the interconnection between two women who come to Lumsden's St. Michael's Monastery for a summer retreat and meet a monk who is questioning his faith, purpose, identity, and love. Robin Schlaht is a graduate of the University of Regina's Film and Video program.

- **Something More** – written by Saskatchewan's Peter Beyak and directed by local director Rob King this present day romantic comedy about a group of guys bound by basketball, bars and their romantic pursuits was filmed in Regina in 1999. The film was co-produced by Saskatchewan based production companies Minds Eye Entertainment and Eighty Seven Bear Images.

- **The Risen** – directed by Moose Jaw's Jeff Beesley, and produced by Regina's Independent Motion Pictures, this feature film was produced in Moose Jaw in the summer of 2003 and stars Saskatchewan actors Eugene Lipinski and Daniel Maslany. Jeff Beesley is also a graduate of the University of Regina's Film and Video program.

Audience Development *- The following are examples of productions that have generated national and international interest in Saskatchewan:*

- **13 Seconds: The Kent State Shootings** – this one-hour documentary revisits the events that occurred 34 years ago leading up to May 4, 1970, when the Ohio National Guard opened fire on 22 Kent State students protesting the Vietnam War. Produced by Regina's Partners in Motion, the documentary earned a prestigious Emmy Award.

- **Betrayed** – based on events that occurred in Saskatchewan and Ontario, this television movie chronicled a small prairie town coping with an E.coli outbreak. Starring Saskatchewan born and raised actors Kari Matchett and Janet Wright, the production earned substantial media acclaim and the highest rating on CBC for the 2003/2004 season. Saskatoon based actor Janet Wright earned Best Supporting Actress in a Dramatic Television Movie or Series at the 2003 Gemini Awards.

- **Corner Gas** – this hit comedy series set in small town Saskatchewan is widely considered the Canadian television hit of the season and attracts over 1.2 million viewers per week and has received glowing media acclaim including "sheer genius," by the Toronto Star to "absolutely gut-wrenchingly, nose-screamingly funny" by the Halifax Daily News.

- ***Everett Baker's Saskatchewan** – a series of vignettes repackaged into a half hour documentary. Produced by Third Eye Media of Regina, this program is based on pioneering photographer Everett Baker, who extensively photographed life in Saskatchewan between 1930 and 1960. A huge SCN audience favourite. Produced in association with the Saskatchewan History and Folklore Society, this program has sold over 500 video tape copies and has lead to a second series of vignettes.

- **Falling Angels** – the only Saskatchewan feature film to be invited to screen at the Toronto International Film Festival, Falling Angels is a feature film about coming of age in the 1960s. Hailed as a "darkly comic gem" by Maclean's and "a delight" by Elle, the film was produced on location in Moose Jaw and in the Canada - Saskatchewan Production Studios and recently earned a record breaking six Genie nominations and two Genie awards.

- ***Incredible Story Studio** – two Saskatchewan based production companies joined forces to produce five seasons of this successful children's series. The series has broadcast on Disney Television, CBC, YTV, SCN and has been sold and was broadcast in over 100 countries worldwide.

- ***Life without Borders** – a regional series, produced by Incandescent Films of Fort Qu'Appelle. This unique and charming series looks at the life and lifestyles of residents of rural Saskatchewan. This series has become a surprise hit on SCN.

- ***They Live to Polka** – a one-hour documentary produced by Camera West of Regina, documents the polka craze of rural Saskatchewan. Every time SCN plays this program it can be counted on to generate lots of phone calls and e-mail. An SCN audience favourite.

H. Critical Recognition of Saskatchewan Film and Video Productions

2003 * Information has not been updated to include most recent awards.				
Festival / Event	**Producer / Recipient**	**Project Name**	**Nomination / Award / Screening**	**Location**
Houston WorldFest	Partners In Motion	Extraordinary Lives	Winner - Gold Jury Award	Houston TX
International Competitive Festival of Short and Medium-length Fiction Films	Brent Bell	Blueberry	Silver Medal Independent Professional Production	Brno, Czech.
34th Traditional Film and Video Festival	Brent Bell	Blueberry	Festival Grand Prix	Rijeka, Croatia
Canadian Film Institute Retrospective	Brian Stockton	films of Brian Stockton	Retrospective	Ottawa, ON
2002				
Festival / Event	**Producer / Recipient**	**Project Name**	**Nomination / Award / Screening**	**Location**
$100 Film Festival	Britski, Jason	Transfixed	Winner - Jury's Pick	Calgary AB
Association for Media and Technology in Education in Canada (AMTEC)	EarthSeeker Multimedia	Wetland Explorer	Winner - Panasonic Industry Award for Best in Show	Montreal PQ
Canadian Nurses Association	Alethia Productions	Ebola War: The Nurses of Gulu	Winner - Best Documentary, International Health Reporting	Toronto ON
Columbus International Film & Video Festival	Wolf Sun Productions	Worlds Apart	Honourable Mention	Columbus OH
Columbus International Film & Video Festival	Minds Eye Pictures / Verite	Incredible Story Studio V	Winner - Bronze Plaque in Children's Category	Columbus OH
Columbus International Film & Video Festival	Cooper Rock Pictures	Karaoke Night at the Plains	Honourable Mention	Columbus OH
17th Annual Gemini Awards	Cooper Rock Pictures	Eyewitness to War	Nominated - Best History Documentary	Toronto ON
17th Annual Gemini Awards	Minds Eye Pictures	Incredible Story Studio	Nominated - Best Children's Series	Toronto ON
17th Annual Gemini Awards	Minds Eye Pictures	Mentors	Nominated - Best Children's Series	Toronto ON
17th Annual Gemini Awards	IMP Inc.	Dinosaur Hunter	Nominated - Best Children's/Youth Fiction Program/Series	Toronto ON
17th Annual Gemini Awards	IMP Inc.	Dinosaur Hunter	Nominated - Alison Phil for Best Actress Children's/Youth Fiction Program/Series	Toronto ON
Manitoba Blizzard Awards	Minds Eye Pictures	2030CE	Winner - Best Children's Series	Winnipeg MB
Manitoba Blizzard Awards	Minds Eye Pictures	2030CE	Winner - Tatiana Maslany for Best Performance by a Leading Actress	Winnipeg MB
Native American Journalists Association	Blue Hill Productions	You're In Our Hearts	Winner - Best Documentary	Vermillion SD
Reel World Film Festival	Edge Entertainment	Now & Forever	Winner - Tonya Lee Williams Award for Outstanding Canadian Feature	Toronto ON
Yorkton Short Film & Video Festival	Incandescent Films	Life Without Borders	Winner - Golden Sheaf Award for Best Documentary Series	Yorkton SK
Yorkton Short Film & Video Festival	Cooper Rock Pictures	Eyewitness to War	Winner - Golden Sheaf Award for Best Documentary History	Yorkton SK
Yorkton Short Film & Video Festival	RBG Productions / Riot Productions	The Stuff That Makes You Lift Cars	Nominated - Best Comedy	Yorkton SK
Yorkton Short Film & Video Festival	Partners In Motion	Disasters of the Century	Nominated - Best Documentary History	Yorkton SK
Yorkton Short Film & Video Festival	Partners In Motion	Baby Crash	Nominated - Best International Documentary	Yorkton SK
Yorkton Short Film & Video Festival	Partners In Motion	SaskPower - Toaster	Winner - Golden Sheaf Award for Best Commercial	Yorkton SK
Yorkton Short Film &	Partners In	Disasters HQ	Nominated - Best Multimedia	Yorkton SK

Video Festival	Motion			
Yorkton Short Film & Video Festival	Partners In Motion	Very Odd Jobs	Nominated - Best Multimedia	Yorkton SK
Yorkton Short Film & Video Festival	Minds Eye Pictures	MythQuest	Winner (tied) - Golden Sheaf Award for Best Children's Production	Yorkton SK
Yorkton Short Film & Video Festival	IMP Inc.	Elfkins First Christmas	Nominated - Best Animation	Yorkton SK
Cambridge Film Festival	Zima Junction Productions	Solitude	Screened	Cambridge England
Commonwealth Film Festival	Zima Junction Productions	Solitude	Screened	Manchester England
Global Collaboratory	Zima Junction Productions	The Heart Becomes Quiet	Screened	Syracuse NY
Banff Film Festival	IMP Inc.	Dinosaur Hunter	Nominated - Best Children's Program	Banff, Alta
Burbank International Children's Film Festival	IMP Inc.	Dinosaur Hunter	Winner - Best Made for TV Movie, Winner - Alison Phil Best Actress	Burbank CA
WorldFest Houston	IMP Inc.	Dinosaur Hunter	Winner - Gold Family/Children's	Houston TX
Singapore International Festival	IMP Inc.	Dinosaur Hunter	Screened	Singapore
WorldFest Houston	Partners In Motion	Disasters of the Century III	Winner - Gold Award	Houston TX
Independence Film Festival	Zima Junction Productions	The Heart Becomes Quiet	Screened	Tampa FL
International Festival of Cinema and History	Zima Junction Productions	Solitude	Screened	Istanbul Turkey
KynnysKino Film Festival	Novina Motion Pictures	Don't Give Up	Screened	Helsinki Finland
New York Film Festival	Thomega Entertainment	Canada Remembers: A Veteran Reunion	Screened	New York NY
Palm Springs Native American Film Festival	Blue Hill Productions	Donna's Story	Screened	Palm Springs FL
Palm Springs Native American Film Festival	Blue Hill Productions	Childhood Lost	Screened	Palm Springs FL
Saskatchewan Chamber of Commerce Abex Awards	Partners In Motion	N/A	Finalist - General Business for Job Creation	
Saskatchewan Chamber of Commerce Abex Awards	Partners In Motion	N/A	Finalist - General Business for Service Industry Category	
Alberta Motion Picture Industry Association Awards (AMPIA)	Minds Eye Pictures	Mentors	Winner - Best Series	
2001				
Festival / Event	**Producer / Recipient**	**Project Name**	**Nomination / Award / Screening**	**Location**
Alberta Motion Picture Industry Association Awards (AMPIA)	Minds Eye Pictures	Mentors	Winner - Chad Krowchuk for Best Lead Performer	
Images Festival of Independent	Percy Fuentes	Sand	Best International Video Award	Toronto
40th Ann Arbor Film Festival	Jason Britski	Transfixed	Honourable Mention	Ann Arbor, MI
Humboldt International Short Film Festival	Dianne Ouellette	Sigh	Juror's Choice Award	Acata, USA
Images Festival of Independent Film and Video	Percy Fuentes	Sand	Honourable Mention Telefilm Canada Prize	Toronto
Alberta Motion Picture Industry Association Awards (AMPIA)	Minds Eye Pictures	Mentors	Winner - Prudence Olinek for Best Make-up	Alberta
49th Columbus International Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio	Winner - Bronze Plaque in Children's Category	Columbus OH
49th Columbus International Film & Video Festival	Minds Eye Pictures	Mentors	Winner - Bronze Plaque in Children's Category	Columbus OH

53rd Annual Emmy Awards	Partners In Motion	13 Seconds: The Kent State Shootings	Winner - Outstanding Background Analysis	
16th Annual Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio	Nominated - Best Children's or Youth Program or Series	Toronto ON
16th Annual Gemini Awards	Minds Eye Pictures	Mentors	Winner - Best Writing in Children's or Youth Program or Series	Toronto ON
International Association of Business Communicators Golden Quill Awards	Partners In Motion	Cool Down The City	Merit - Promotional Campaign	Vancouver BC
New York Festivals	Minds Eye Pictures	Mentors	Finalist - Certificate for Youth Programs	New York NY
Regina Chamber of Commerce Paragon Awards	Partners In Motion	N/A	Winner - General Business for Best Export	Regina SK
Rhode Island International Festival	Incandescent Films	Raoture of the Deep, Canadian Poet Anne Szumigalski	Screened	
Summit Creative Awards	Partners In Motion	SaskPower - Toaster	Winner - Bronze Award for Best Commercial $20,000 - $30,000	Portland OR
Toronto International Film Festival	Edge Entertainment	The Impossible Elephant	Winner - YTV Silver Sprocket Award	Toronto ON
WorldFest - Houston 2002 International Film Festival	Minds Eye Pictures	MythQuest	Winner - Platinum Award for Best TV Series - Family/Children	Houston TX
WorldFest - Houston 2002 International Film Festival	Minds Eye Pictures	Stranger in Town	Winner - Gold Award for Best TV Special - Family/Children	Houston TX
WorldFest - Houston 2002 International Film Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio	Winner - Gold Award for Best TV Series - Family/Children	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	Men of Valour	Winner - Platinum Award for Biographical / Autobiographical	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	Disasters of the Century	Winner - Platinum Award for Reality-based Program	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	13 Seconds: The Kent State Shootings	Winner - Bronze Award for Best Documentary	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	SaskTel - In The Summertime	Winner - Gold Award for Household Consumer Production	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	SGI - Santa's Little Helper	Winner - Bronze Award for Public Service	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	Climate Change	Winner - Bronze Award for Educational / Instructional	Houston TX
WorldFest - Houston 2002 International Film Festival	Partners In Motion	SaskFerco - Total Quality / Total Commitment	Winner - Silver Award for Newspaper-Campaign	Houston TX
WorldFest - Houston 2002 International Film Festival	IMP Inc.	The Risen	Winner - Gold Feature Made for TV/Cable	Houston TX
Remis	IMP Inc.	The Risen	Screened	France
Yorkton Short Film & Video Festival	Partners In Motion	13 Seconds: The Kent State Shootings	Winner - Golden Sheaf Award for Best Documentary, Best Editing, Best Sound	Yorkton SK
Yorkton Short Film & Video Festival	Tyndal Stone Media	Story Quest	Winner - Golden Sheaf Award for Best Multimedia	Yorkton SK
43rd Rochester International Film Festival	Michael Crochetiere	Subterranean Passage	Certificate of Merit	Rochester
2nd Annual Barebones International Film Festival	Michael Crochetiere	Subterranean Passage	Nomination for Best Experimental Short Film	Muskogee, Oklahoma
The Thunderbird	Michael	Subterranean	Winner Best Film Open Genre Over 30min., Best Sound	Southern Utah

International Film Festival	Crochetiere	Passage	Design and Cinematography	University
The Nickel Independent Film and Video Festival	Michael Crochetiere	Subterranean Passage	Winner Best in Art Direction Best Story Awards	St. John's NFLD
The Hardacre Film Festival	Michael Crochetiere	Subterranean Passage	Winner Best Experimental Film	Tipton, Iowa
Bargain Basement Film Festival	Michael Crochetiere	Subterranean Passage	Jury Award: Best Experimental	Columbia, USA
$100 Film Festival	Troy Rhoades	Colorless Green Ideas Sleep Furiously	Winner Best Animated Film	Calgary, AB

2000

Festival / Event	Producer / Recipient	Project Name	Nomination / Award / Screening	Location
Atlantic Film Festival	Heartland Motion Pictures	Borderline Normal	Winner - Best Canadian Film	
Toronto International Children's Festival	Edge Entertainment	The Impossible Elephant	Winner - Silver Sprocket Award	Toronto ON
Nashville Independent Film Festival	Crochetiere, Michael	Subterranean Passage	Screened	Nashville TN
Hardacre Film Festival	Crochetiere, Michael	Subterranean Passage	Screened	
Brno Film Festival	Crochetiere, Michael	Subterranean Passage	Screened	Brno Czech Republic
Houston International Film Festival	Partners in Motion	Men of Valour	Screened	Houston TX
Houston International Film Festival	Partners in Motion	Disasters of the Century	Screened	Houston TX
Houston International Film Festival	Partners in Motion	13 Seconds: The Kent State Shootings	Screened	Houston TX
Houston International Film Festival	Partners in Motion	A Soldier's Voice	Screened	Houston TX
Houston International Film Festival	Partners in Motion	Beyond Medicine	Screened	Houston TX
15th Annual Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio III	Winner - Best Children's or Youth Program or Series	Toronto ON
16th Annual Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio III	Nominated - Rob Bryanton, Jack Semple for Best Original Music Score for a Dramatic Series	Toronto ON
Yorkton Short Film & Video Festival	Partners in Motion	Beyond Medicine II	Winner - Golden Sheaf for Best Educational	Yorkton SK
Baddeck International New Media Festival	Tyndal Stone Media	Finding the Balance	Winner - Best Educational	
Association for Media and Technology in Education in Canada (AMTEC)	Tyndal Stone Media	Finding the Balance	Award of Merit	
Columbus International Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio III	Honourable Mention - Children's Category	Columbus OH
Tampere 30th International Short Film Festival	Ian Toews	Four Corners	Grand Prix Award – International Competition section	Tampere, Finland
Nashville Independent Film Festival	Michael Crochetiere	Subterranean Passage	Best Experimental Film Award	Nashville, Tenn.
Gemini Awards	Camera West	They Live to Polka	Gemini 2000 Documentary	
Niagara Indie Film Festival	Michael Crochetiere	Subterranean Passage	Best Experimental Film Award	Niagara, ON
Vancouver Island Film, Video, and New Media Festival	Michael Crochetiere	Subterranean Passage	Award for Best Drama over 30m	Sooke, BC
15th International Festival of New Film	Dianne Ouellette	Daisy	Awarded a Special Jury Award	Split, Croatia
41st Brno Sixteen International Film Competition	Michael Crochetiere	Subterranean Passage	Silver Medal in the Professional Independent Category	Brno, Czech Republic
Cascadia Moving Images	Michael Crochetiere	Subterranean Passage	Winner Best Independent Film, Best Independent Experimental Film and Co winner of the People's Choice for Best Independent Film	BC

Zoie Fest	Michael Crochetiere	Subterranean Passage	Best Independent Experimental Film	Georgia
1999				
Festival / Event	**Producer / Recipient**	**Project Name**	**Nomination / Award / Screening**	**Location**
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Nominated - Best Children's or Youth Program or Series	Toronto ON
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Nominated - Best Picture Editing in a Dramatic Program or Series	Toronto ON
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Shattered Dreams"	Nominated - Dean Evans	Toronto ON
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Nominated - Best Music Score for a Dramatic Series	Toronto ON
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Dirty Pool"	Nominated - Rob Bryanton	Toronto ON
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Mars Attacks"	Nominated - Rob Bryanton, Jack Semple	Toronto ON
Alliance for Children and Television Award of Excellence	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Shattered Dreams"	Winner - Children's Choice Award, Nominated - Best Drama Category	
CanPro Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Winner - Best Youth Programming	
Yorkton Short Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Mars Attacks"	Nominated - Best Children's Production and Nominated - Chris Ross for Best Male Performance	Yorkton SK
Yorkton Short Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Love Stories"	Nominated - Best Children's Production	Yorkton SK
Yorkton Short Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio II "Mars Attacks"	Nominated - Rob King for Best Script	Yorkton SK
Yorkton Short Film & Video Festival	Partners In Motion	Beyond Medicine II	Winner - Golden Sheaf for Best Educational	Yorkton SK
Yorkton Short Film & Video Festival	Partners In Motion	Birdman	Nominated - Best of Documentary History	Yorkton SK
Yorkton Short Film & Video Festival	Heartland Motion Pictures	Hello . . . Africa Calling	Nominated	Yorkton SK
Columbus International Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Winner - Bronze Plaque	Columbus OH
New York International Children's Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Finalist	New York NY
National Education Media Networks	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Winner - Bronze Apple Award	New York NY
Montreal International Film, TV and Video Market	Minds Eye Pictures / Verite Films	Incredible Story Studio II	Screened	Montreal PQ
Houston International Film Festival	Partners In Motion	Ground Zero	Winner - Silver for Political International	Houston TX
Houston International Film Festival	Partners In Motion	Survivors	Winner - Gold for Reality-based	Houston TX
Cinefest	Heartland Motion Pictures	Borderline Normal	Winner - Best of Festival	Ireland
Banff Rockies	Heartland Motion Pictures	Borderline Normal	Nominated - Best Children's Movie	Banff
New York International Independent Film & Video Festival	WestWind Pictures	The Perfect Divorce	Winner - International Film Award for Best Documentary	New York NY
Canadian Annual International Film	Ian Toews	Four Corners	Winner 1st Place, and 3 other awards	

Festival				
1998				
Festival / Event	**Producer / Recipient**	**Project Name**	**Nomination / Award / Screening**	**Location**
Gemini Awards	4 Square Productions Canada	Revenge of the Land	Nominated	Toronto ON
Gemini Awards	Blue Hill Productions	Big Bear	Winner - Wardrobe	Toronto ON
Gemini Awards	Blue Hill Productions	Big Bear	Winner - Makeup	Toronto ON
Gemini Awards	Heartland Motion Pictures	Maximum Dimension	Nominated	Toronto ON
Gemini Awards	Minds Eye Pictures / Verite Films	Incredible Story Studio I	Nominated - Best Children's or Youth Program or Series	Toronto ON
Gemini Awards	Partners In Motion	Dad	Two awards - Documentary	Toronto ON
Gemini Awards	Imp. Inc.	The Boys Who Loved Hockey	Nominated	Toronto ON
Yorkton Short Film & Video Festival	4 Square Productions Canada	Scarred by History	Nominated	Yorkton SK
Yorkton Short Film & Video Festival	Heartland Motion Pictures	Two-Gun Cohen	Nominated	Yorkton SK
Yorkton Short Film & Video Festival	4 Square Productions Canada	Nanjing Nightmares	Nominated	Yorkton SK
American Indian Film Festival	Blue Hill Productions	Big Bear	Winner - Producers Award	
Munich Television Festival	Edge Entertainment	Black Light	Winner - Best TV Movie	Munich
US International Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio I	Winner - Silver Screen Award for Best Children's Programming	
46th Columbus International Film & Video Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio I	Honourable Mention - Children's Category	Columbus OH
Alliance for Children and Television Award of Excellence	Minds Eye Pictures / Verite Films	Incredible Story Studio I	Nominated - Drama Category	
Toronto Worldwide Short Film Festival	Minds Eye Pictures / Verite Films	Incredible Story Studio I	Screened	Toronto ON
Hot Docs	4 Square Productions Canada	Nanjing Nightmares	Nominated	Toronto ON
Genie Awards	Minds Eye Pictures	Something More	Nominated - Claude Jutra Award	
Santa Clara International Film Festival	Minds Eye Pictures	Stranger in Town	Screened	
WorldFest Houston	Minds Eye Pictures	Stranger in Town	Winner - Gold Award for Best TV Special - Family/Children	Houston TX
Houston International Film Festival	Partners In Motion	Beyond Medicine II	Winner - Gold	Houston TX
CanProAwards	Donna Caruso	Doll Hospital	Awarded Best Direction	
Hot Docs	Donna Caruso	Doll Hospital	Nominated for Best Canadian Documentary	
Calgary $100 Film Festival	Dianne Ouellette	December	Awarded Best 16mm	Calgary
Calgary $100 Film Festival	Jason Britski	Exteriors	Awarded Best 16mm	Calgary
Cascadia Film Festival of Moving Images	Michael Crochetiere	Nocturne	Awarded 2nd Best Experimental and Best Cinematography	Prince George B.C.
Cascadia Film Festival of Moving	Dianne Ouellette	December	Awarded 3rd Best Experimental	Prince George B.C.

I. Summary of Provincial Film Industry Funding

1997/1998 - 2003/2004

Direct Funding [1]						
Agency	**1998-1999**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**	**2003-04**
SaskFilm [2]						
Loans	173,096	333,444	261,127	189,200	210,966	245,000
Equity	308,320	140,000	90,000	203,347	341,553	310,000
Special/Other	74,596	68,785	247,150	200,000	44,840	50,000
Documentary		115,875	166,421	105,693	125,000	150,000
New Media		269,602	525,000	115,000	0	0
Total SaskFilm Direct Funding	**$556,012**	**$927,706**	**$1,289,698**	**$813,240**	**$722,359**	**$755,000**
Film Employment Tax Credit	**$5,824,982**	**$2,414,748**	**$6,737,676**	**$3,439,632**	**$6,674,647**	**$6,546,457**
Saskatchewan Opportunities Corporation / CIC						
Equity				4,500,000		
Loans		1,000,000	1,520,000	907,000	2,450,000	1,000,000
Total SOCO/CIC	**0**	**$1,000,000**	**$1,520,000**	**$5,407,000**	**$2,450,000**	**$1,000,000**
Saskatchewan Communications Network						
Production	167,859	61,436	75,700	131,037	70,477	56,340
Pre-licence	370,150	286,400	251,214	267,659	444,479	532,292
Total SCN	**$538,009**	**$347,836**	**$326,914**	**$398,696**	**$514,956**	**$588,632**
Saskatchewan Arts Board						
Media Arts Projects	$47,500	$44,967	$52,823	$66,341	$49,211	$56,330

[1] Direct Funding refers to funds that directly support film production financing and are specifically designed as film industry incentives.

Indirect Support[1]						
Agency	**1998-1999**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**	**2003-2004 Forecast**
SaskFilm						
Provincial Grant	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**
less allocations	556,012	927,706	1,289,698	813,240	722,359	755,000
Film Development [2]	443,988	72,294	-289,698	186,760	277,641	245,000
Tax Credit Administration	60,000	80,000	80,000	80,000	80,000	80,000
Soundstage Administration						155,500
Market Development						160,991
Total SaskFilm Indirect	**$503,988**	**$152,294**	**$-209,698**	**$266,760**	**$357,641**	**$641,491**
Job Start/Future Skills	**$392,840**	**$225,843**	**$282,867**	**$215,124**	**$387,972**	**$486,448**
Saskatchewan Lotteries						
SMPIA/Media Arts Groups	$291,500	$325,000	$328,800	$332,600	$338,500	$337,600
Saskatchewan Arts Board						
Media Arts Organizations	$56,500	$55,000	51,800	$48,800	$48,500	$48,500
SPMC					278,000	278,000
Soundstage Loan					674,000	674,000
Industry and Resources						
Soundstage Feasibility Study and Marketing [3]			30,000	122,880	200,000	100,000
Crew Call [4]		38,340	34,710	38,396	12,545	51,009
Innovation Science Fund – U. of R. New Media Studio Laboratory equipment [5]					533,759	30,000

[1]Indirect support refers to funds that the film industry has accessed from government programs not specific to the industry and support for the industry that does not directly finance production.

[2]SaskFilm Provincial revenue less amounts included in direct payments to production.

[3]Total IR Soundstage commitments of $452,880: includes SaskFilm commitment of $400,000 for Soundstage marketing and $52,880 REDA commitment for Soundstage Feasibility Study.

[4]Total WEPA commitment to Crew Call of $350,000 includes IR contribution of $175,000.

[5]Total IR commitment of $590,173, of which $26,414 not yet expended. Federal contributions to these projects match provincial contributions.

J. Buyers and Distributors of Saskatchewan Film and Video Product

North American Program Buyers	*Foreign Program Buyers*				*Distributors*
A & E	Afghanistan	Dominica	Lesotho	Rwanda	Alliance Atlantis
Access Network	Algeria	Dominican Rep.	Liberia	Senegal	TSC
A-Channel	Andorra	Egypt	Libya	Serbia	Rhombus Intl.
APTN	Angola	El Salvador	Lithuania	Seychelles	Trimark Pictures
BookTV	Antigua	Ecuador	Luxembourg	Sierra Leone	Hallmark
Canal Evasion	Argentina	Equatorial Guinea	Macau	Singapore	Canamedia
CBC	Armenia	Eritrea	Macedonia	Slovakia	Amsell Ent.
CHUM	Aruba	Estonia	Madagascar	Slovenia	Film One
CTV	Australia	Ethiopia	Malawi	Somalia	Telecine Action
Discovery Channel Canada	Austria	Falkland Islands	Malaysia	South Africa	Filmoption
Discovery Channel USA	Azerbaijan	Fiji	Maldives	South Korea	Harmony Ent.
Feature Films for Families	Bahamas	Finland	Mali	Spain	NFB
Global	Bahrain	France	Malta	Sri Lanka	Credo Releasing
HBO	Bangladesh	French Guyana	Marshall Islands	St. Kitts	Minds Eye International
HGTV	Barbados	Gabon	Martinique	St. Lucia	Heartland Releasing
History Channel	Barbuda	Gambia	Mauritania	St. Vincent	Films For Humanities
Knowledge Network	Belarus	Georgia	Mauritius	Sudan	Franchise Pictures
Learning Skills TV	Belgium	Germany	Mexico	Surinam	Maple Leaf Distr.
Life Network	Benin	Ghana	Moldova	Swaziland	LUX Distribution
Movie Central	Bermuda	Granada	Monaco	Sweden	Rigel Entertainment
National Geographic	Bhutan	Guadeloupe	Mongolia	Switzerland	WIN
NFB	Bolivia	Guinea	Montenegro	Syria	Kinetic
SCN	Bosnia	Guyana	Montserrat	Taiwan	Seville
Showtime USA	Botswana	Haiti	Morocco	Tajikistan	
Space Channel	Brazil	Honduras	Namibia	Tanzania	
Spafax	British Virgin Islands	Hong Kong	Nauru	Thailand	
Super Ecran	Brunei	Hungary	Nepal	Togo	
TFO	Bulgaria	Iceland	Netherlands	Tonga	
TMN	Burkina Faso	India	Netherlands Antilles	Trinidad and Tobago	
Travel Channel USA	Burundi	Indonesia	Nevis	Tunisia	
TV Ontario	Cambodia	Iran	New Caledonia	Turkmenistan	
Varsity TV	Cameroon	Iraq	New Zealand	Turks and Caicos	
Vision TV	Cape Verde	Ireland	Niger	Uganda	
WIC-TV	Cayman Islands	Israel	Nigeria	UK	
Wisdom	Central African Rep.	Italy	Norway	Ukraine	
WTN	Chad	Ivory Coast	Oman	United Arab Emirates	
YTV	Chile	Jamaica	Pakistan	Uruguay	
	China	Japan	Palestine	US Virgin Islands	
	Columbia	Jordan	Paraguay	Uzbekistan	
	Comores Islands	Kazakhstan	Peru	Venezuela	
	Congo	Kenya	Philippines	Vietnam	
	Cook Islands	Kuwait	Poland	Western Sahara	
	Croatia	Kyrgyzstan	Portugal	Yemen	
	Cuba	Laos	Puerto Rico	Yugoslavia	
	Cyprus	Latvia	Qatar	Zaire	
	Czech Republic	Lebanon	Romania	Zambia	
	Denmark	Liechtenstein	Russia	Zimbabwe	
	Djibouti				

K. Interprovincial Comparison of Film Incentive Programs

The National and International Context

Production volumes have decreased across Canada and internationally since 1999 due to a combination of unforeseen events but have recently started to recover. One of the main reasons for this downturn was a contraction in the international marketplace, which limited international financing sources. This combined with world events such as SARS and 9-11, caused a decline in co-productions. Also changes in currency rates caused the business in service production to drop off dramatically in larger production centers. The downturn placed greater demand for public dollars to create Canadian programs. National trends show public financing making up a greater percentage of the total financing for Canadian production, while production volume has decreased.

In 1999 the CRTC made a policy change that allowed for increased broadcasters in the absence of resources to develop and produce product. This was especially troubling for Canadian drama producers and caused what is now commonly known as the crisis in English language drama. The CRTC commissioned the McQueen report *Dramatic Choices* that outlined the immediate and alarming results this decision had on Canadian drama production. In Saskatchewan, the only production company working in drama at the level to be affected by these events was Minds Eye Pictures. While other Saskatchewan producers were able to continue to work in documentary and other genres, and even engage in some drama through this period, Minds Eye had to resort to creditor protection and restructure operations to support a recovery plan. Minds Eye was not alone; several leading Canadian production companies faced similar difficulties due to the combined impacts of these changes.

In the February 2003 federal budget, the government announced that it would be reducing its annual funding of the CTF by $25M. This was an added blow to the film industry in Canada. In June 2003 in recognition that the Canadian production industry was reeling from these events, $12.5M was restored to the fund by borrowing from the CTF's 2004/05 funding. As a result, the level of government funding of the CTF in 2004/05 was expected to be $37.5M lower than it was prior to 2003. While this was a short-term fix, the full impact of the borrow-forward was expected in 2004. After a year of intense industry advocacy, with the federal budget announcement March 24, 2004 the CTF was restored to $100M with a promise to maintain that level through the next year. This change suggests renewed recognition on the part of the federal government for the benefits of investing in the film industry in Canada.

The national policy context was informed by some key reviews and developments. In June 2003, the House of Commons Standing Committee on Canadian Heritage tabled the Lincoln report *Our Cultural Sovereignty: the Second Century of Canadian Broadcasting*. This is a comprehensive review of Canada's broadcasting system and includes 97 recommendations including a call for the CRTC to review its 1999 policy decision.

In November 2003 the Department of Canadian Heritage issued its response, which the Canadian Film and Television Production Association (CFTPA) considered hopeful as it seemed to be onside with the Lincoln report recommendations. The federal government also introduced some changes to the Canadian Film or Video Production Tax Credit (CPTC), which should help boost indigenous Canadian production. In the CFPTA report *Profile 2004* calls for a new joint commitment from producers and broadcasters to build Canadian audiences. While there will be continued tough times ahead, there are some positive signs that the Canadian industry will be able to thrive if government and industry work together to create an environment where Canadian producers can make the programming Canadian audiences deserve.

For Saskatchewan, these major national and international trends have had a less dramatic impact but have still limited the opportunities for growth in the last few years. It appears that a diversified strategy with a high number of documentary productions has been a factor in keeping production companies strong through difficult times. Most mid-sized companies are getting involved in some drama production. In addition, the growth of production budgets in non-dramatic genres and the increased numbers of distributors suggests that Saskatchewan production companies are proving they can reach international markets with their products.

The fact that the Saskatchewan industry has managed to continue to grow through these turbulent times is a credit to the diversified strategy of industry development Saskatchewan has taken, and the resourcefulness of Saskatchewan people who have been able to survive in a very competitive and ever-changing market. While the industry trends are expected to improve, it will continue to be a challenge for Saskatchewan producers to access financing from broadcasters and from Federal/National sources and to have the corporate strength to seize opportunities that present themselves. For example, in April 2004 a national broadcaster announced it will no longer produce television drama but will rely on Canadian independent producers to provide this programming. Saskatchewan producers intend to gain some of this work, which could significantly boost the level of Saskatchewan annual production.

Along with opportunities are also some threats to the Canadian production industry. Threats of U.S. trade action or counter-provision of incentive by U.S. production centers could have a devastating impact on the foreign service industry in Canada that relies primarily on U.S. productions. Fluctuations in the value of the Canadian dollar also directly influence the level of service production in Canada.

This Saskatchewan's voice as a regional industry needs to be clearly represented at the national level to ensure Saskatchewan people have the opportunity to access the financing needed to support indigenous production. This is important if Saskatchewan is to have means for cultural expression and to gain the economic benefits that result from a vibrant cultural industry.

Assessment of Saskatchewan's Competitive Position

Film development agencies across Canada offer financing incentives and a variety of other programs to support the development, production, and marketing of their respective film, television and new media industries. Provincial funding triggers both federal and private financing which is necessary to finance production. This financing boosts production volumes and brings new dollars into each province's economy. The economic benefits of the industry are recognized by each province in Canada and each competes for both Canadian and foreign production. To maintain competitive advantage, many provincial governments have increased their support to tax credit and other incentive programs.

In addition, each province to varying degree has incentives in place to encourage the cultural aspects of the industry. Each province has different priorities, limitations and advantages that have influenced their provincial film development strategies. The level of investment in the industry and the design of the provincial incentives offered reflect that particular province's strategy and priorities.

In recent years, many provincial governments have implemented new programs or enhanced existing programs to strengthen their competitive position. This section compares the current level of support offered via provincial film incentives programs including tax credits, equity programs, and other industry supports such as training and development.

For the past few years, Saskatchewan's tax credit has offered comparable or better levels of support to most other jurisdictions. Even with this competitive advantage in place, the Saskatchewan industry volume is not as high as neighbouring jurisdictions. Total production volume in Saskatchewan reached $43M in production activity in 2002. In contrast, production volume in Manitoba reached $82M while Alberta saw $76M in production activity. While Saskatchewan compares quite well in Canadian production, the neighboring provinces also attract a significant amount of foreign production. Saskatchewan's tax credit is also becoming less competitive as other jurisdictions improve their incentives. In April 2004, Manitoba announced further film incentives, including a 5% frequent filming bonus and a 5% rural bonus that promise to erode Saskatchewan's competitive position. In May 2004, the province of Ontario also announced enhanced incentives that will likely encourage similar upgrades by other provinces.

The table below shows the comparison of total industry activity reported by provincial film agencies for the 2002-03 year. This chart reflects the provincial film strategies in effect across the country. For example, even though Ontario and Quebec have similarly large industries, the balance of Canadian to foreign production is quite different, showing Ontario's greater emphasis on foreign production and Quebec's higher level of investment to support cultural objectives. British Columbia and Alberta industries focus on foreign service production, while Nova Scotia and Manitoba balance both domestic and foreign production. Saskatchewan, like the other smaller provinces has focused on domestic production.

Table 29. APFA 2002 (Fiscal) Production Activity By Format

Reporting Period: April 1, 2002 to March 31, 2003	**Canadian**		**Foreign**		**Total**	
Total Value of Production (Features + TV)	**#**	**$ Value**	**#**	**$ Value**	**#**	**$ Total**
Quebec	551	701,007,984	39	398,915,174	590	1,099,923,158
Ontario	186	490,874,241	76	548,749,057	262	1,039,623,298
British Columbia	140	163,600,000	65	830,000,000	205	993,600,000
Nova Scotia	91	66,684,000	13	52,000,000	104	118,684,000
Manitoba	33	49,294,823	11	33,766,202	44	83,061,025
Alberta	38	26,354,624	3	49,920,411	41	76,275,035
Saskatchewan	**40**	**42,974,632**	**-**	**-**	**40**	**42,974,632**
New Brunswick	17	33,342,002	-	-	17	33,342,002
PEI	16	8,576,645	-	-	16	8,576,645
Newfoundland	7	2,974,156	-	-	7	2,974,156
Yukon	6	979,000	4	1,682,000	10	2,661,000
NWT	-	-	-	-	0	-
Total:	**1125**	**$ 1,586,662,107**	**211**	**$ 1,915,032,844**	**1336**	**$ 3,501,694,951**

There are some advantages to filming in Saskatchewan that help attract production to the province, such as unique locations, an excellent soundstage, qualified crew, film-friendly communities, and reasonable service costs. However, there are also disadvantages, which are deterrents to attracting production, including the lack of an international airport, relative isolation from American cities, and the small size of Saskatchewan's population, short production season, limited qualified labour, and the PST. These kinds of disadvantages are not likely to change and need to be taken into consideration when film development strategies are considered and comparisons between provinces are made.

The level of provincial investment includes tax credit programs as well as equity investments, development loan programs and grants. Saskatchewan is less competitive in the level of support offered through equity financing. Some provinces, including Manitoba, have increased equity financing considerably in recent years, which has made attracting production to Saskatchewan much more difficult.

Saskatchewan contributions to training and development programs are higher than some jurisdictions, but less than Manitoba. These kinds of support programs enhance the effectiveness of the direct investments that are made in the industry.

The table below compares the level of provincial investment to total industry production volume for the 2002-03 year. These figures are based on information provided by the provincial film agencies and may not include all forms of provincial investment. For example, the Saskatchewan figures include SaskFILM and tax credit investments only and not contributions from SCN, Job Start/Future Skills or the Saskatchewan Arts Board. This chart shows that Saskatchewan has a relatively high rate of provincial

investment to production volume but compares well to Manitoba. Quebec, with an emphasis on cultural objectives, has a high investment rate compared to Ontario. In general, industries focused on service production have lower rates of provincial investment. Production centers such as Vancouver and Toronto can offer lower tax credits for foreign production because other advantages contribute to making these attractive locations.

Table 30. Value of Provincial Film Industry Incentives Compared to Provincial Film Industry Volume
Reporting Period: April 1, 2002 – March 31, 2003

	Volume	Value of Tax Credit	Equity & Development Loans	Other	Total Provincial Investment	% Tax Credit	% Total Provincial Investment
Quebec	1,099,923,158	133,078,234	16,170,000	3,575,000	152,823,234	12.1	13.9
Ontario	1,039,623,298	99,335,722		386,520	99,722,242	9.6	9.6
British Columbia	993,600,000	66,118,124	1,498,456	568,530	68,185,110	6.7	6.9
Nova Scotia	118,684,000	8,853,000	2,402,609	113,154	11,368,763	7.5	9.6
Manitoba *	83,061,025	12,000,000	1,404,741	100,000	13,504,741	14.4	16.3
Alberta	76,275,035	n/a	3,513,270	5,000,000	8,513,270	n/a	5.5
Saskatchewan	42,974,632	6,689,962	721,999	106,232	7,518,193	15.6	17.5
New Brunswick	33,342,002	2,800,000	1,150,000	60,000	4,010,000	8.4	12.0
PEI	8,576,645	875,128	1,200,597	344,825	2,420,550	10.2	28.2
Newfoundland	2,974,156	3,046,578	1,200,000	60,000	4,306,578	102.4	144.8
Yukon	2,661,000	Info. not available					
NWT	-	Info. Not available			-		
Total:	$3,501,694,951	$332,796,748	$29,261,672	$10,314,261	$372,372,681	187	264

**Note: does not include impact of recently announced enhancements to the Manitoba tax credit*

Growth Rates Compared to Other Provinces

The performance of Saskatchewan's industry compares well to national industry trends. Saskatchewan does not have strength in foreign production, but Saskatchewan growth rates for Canadian certified production are better than the national average. Saskatchewan weathered the recent downturn in the national and international industry relatively well. Larger production centers were more aversely affected. With improved industry trends and increased efforts by other jurisdictions to attract productions, it is likely that Saskatchewan's growth will not be as strong compared to other provinces in the future.

The Canadian film and television production industry grew by 4% in 2002-2003 reaching $4.93 billion in activity; this includes $1.9 billion in foreign location production; $1.7 billion in CAVCO-certified production; $996M in broadcaster in-house production, and $266M in non-CAVCO certified production.

The 2004 Canadian Film and Television Production Industry report indicates that growth of the Saskatchewan industry has been consistent with growth in other provinces. For example, this report shows that CAVCO-Certified production (production that qualifies for the federal tax credit) increased in Saskatchewan by 6% over the past five years, while the Canadian total was an increase of 5%. Saskatchewan's share of CAVCO-Certified production in the same year was 1.4%, ranking sixth in the country, ahead of New Brunswick and Manitoba.

Table 31. CAVCO-Certified Production by Province (Federal Tax Credit)

Location	1997-1998 ($000)	1998-1999 ($000)	1999-2000 ($000)	2000-2001 ($000)	2001-2002 ($000)	2002-2003 ($000)	Share %	1 year Growth	5 Year Average Growth
Quebec	594	$706	$759	$610	$692	$750	42.2	8	5
Ontario	596	$676	$777	$748	$736	$718	40.4	(2)	4
British Columbia	109	$335	$333	$310	$189	$123	6.9	(35)	2
Alberta	24	$35	$65	$61	$52	$79	4.4	52	27
Nova Scotia	56	$77	$50	$56	$55	$42	2.4	(24)	(5)
Saskatchewan	18	$16	$14	$27	$17	$24	1.4	41	6
New Brunswick	5	$15	$5	$13	$7	$15	.8	121	25
Manitoba	12	$24	$16	$22	$16	$19	.7	19	9
P.E.I.	0	$1	$5	$4	$5	$7	.4	45	n.a.
Yukon	0	$0	$0		$0	$0	0	n.a.	n.a.
Northern Regions	0	$0	$3	$1	$0	$0	0	n.a.	n.a.
Newfoundland	0	$5	$3	$7	$1	$0	0	(57)	7
Total	**1,414**	**1,890**	**2,030**	**1,859**	**1,770**	**1,777**	**100%**	**(5)**	**5**

The Saskatchewan share of Canadian Television Fund (CTF) supported production is 2%. This is a Canadian cultural programming fund. Since 1999-2000, Saskatchewan has consistently been ahead of Manitoba in accessing this fund, until 2002-2003 when Manitoba moved ahead of Saskatchewan. With some fluctuation, Saskatchewan shows modest growth in accessing this fund.

Table 32. CTF-Supported Production by Province/Territory					
Location	**1999/00**	**2000/01**	**2001/02**	**2002/03**	**Share**
Quebec	234.4	261.2	324.3	321.9	38%
Ontario	218.6	210	255	298.1	36%
B.C.	75.2	97.5	95.6	80.3	10%
Alberta	15.3	32.2	40.3	47.7	6%
Nova Scotia	44.6	34.8	48.3	43.3	5%
Manitoba	5.6	10.7	9.6	22.5	3%
Saskatchewan	7.5	16.4	13	13.3	2%
New Brunswick	5.5	2.8	9.6	8.4	1%
P.E.I.	5.7	4	5.4	3.7	<1%
Newfoundland	2.5	12.1	0.9	0.4	<1%
N.W.T.	2.5	1	0.3	0.3	<1%
Yukon	0.4	-	-	0.4	<1%
Total	**617.7**	**682.8**	**802.3**	**840.4**	**100%**

However, Saskatchewan remains a small player in the Canadian industry, representing about 1% of CAVCO-Certified Production and 2% of CTF-Supported Production.

Foreign production saw the most growth in Canada, rising by 8% to $1.9 billion in 2002-2003 and representing 38% of the total volume of production. Saskatchewan shows negligible activity in this area, while Manitoba has increased foreign production to $34M in 2003-2004, representing 2% of total Canadian foreign location production. There is no foreign production recorded in Saskatchewan, as the SFETC is only accessible by a Saskatchewan producer.

Comparison of Provincial Film Incentive Programs

Overview of Provincial Tax Credit Programs: This section compares the level of support offered via provincial tax credit programs and comparable programs across the country. All provinces have a tax credit, or a comparable program. In the case of Alberta, a grant program is offered; Prince Edward Island offers a rebate.

The table below provides a summary of how Saskatchewan's tax credit program compares to similar programs offered in other jurisdictions, assuming a $5M production that includes $2.5M of eligible labour costs. It is assumed here that the production in question *does not* qualify for any regional bonus (assuming one is available to producers in a given province).

Table 33. Provincial Tax Credits and Comparable Programs – Basic Program (assuming a $5M production with $2.5M eligible labour costs)		
Province	**Level of Support**	**Ranking**
New Brunswick	$1M	1
Newfoundland and Labrador	$1M	1
Saskatchewan	$875M	3
Manitoba	$875K	3
Alberta	$750K	5
Nova Scotia	$750K	5
Prince Edward Island	$750K	5
Ontario (OFTTC)	$500K	8
British Columbia (FIBC Program)	$480K	9
*Québec (QPSTC)	$275K	10

**Quebec shows value of the foreign incentive only.*

For Bristish Columbia, this example shows just the FIBC tax cre
with a higher level of support than BC's PSTC. For Alberta, sup
Alberta Film Development Program. For Ontario, the support is
producers a higher level of support than Ontario's OPSTC. For
this is comparable to other programs across the country in havin
Québec's other major tax credit (QFPTC) has Quebec content re
Quebec's QFPTC offers very favourable levels of support for qu
Island, the support comes by way of a rebate that is based on eli

Certain assumptions were made in calculating the numbers noted
Quebec, it was assumed that the production did not qualify for a
animation or visual effects, etc. If such were the case, the maxi
these two provinces (under this scenario) would be greater than
production used in Table 33 were a full dramatic series, the Albe
up to a maximum of $1M. In addition, first time producers in O
scenario assumed in Table 33.

Based on this scenario (and given the assumptions noted directly
with Manitoba in terms of level of support, and appears to offer
producers choosing to film in the province.

The table below is similar to previous table only this time it is as
does qualify for the full regional bonus (assuming one is availab
$5M production that includes $2.5M of eligible labour costs stil

Table 34. Provincial Tax Credits and Comparab
Bonus
(assuming a $5M production with $2.5M

Province	Le
Saskatchewan	
Manitoba*	
New Brunswick	
Newfoundland and Labrador	
Nova Scotia	
British Columbia (FIBC Program)	
Alberta	
Ontario (OFTTC)*	
Prince Edward Island	
Québec (QPSTC)	

*Note that as of April 2004, the ranking of Manitoba changed to
both the regional bonus and the frequent filming bonus are appl
eligible labour costs, in some cases it is possible for Manitoba to
Saskatchewan if the production has eligible labour greater than

The assumptions noted in the paragraph directly below Table 34
Ontario would now qualify for $1M under the scenario assumed
program offers a rural bonus equal to 5% of *total production co*
number 1 in the rankings in terms of level of support. Of all the
bonus in with the programs considered here (BC, Ontario, Sask
only the SFETC program calculates the rural bonus in this way.
bonus as a percentage of *labour expenditures*. If Saskatchewan

labour expenditures, the maximum would be $1M and rank first position along with New Brunswick and Newfoundland.
The size of the production is a factor in comparative value of a tax credit. For example, let total production costs (of a particular project) equal $2M, where only $800K (or 40%) of this amount is spent on labour. Furthermore, assume that no production qualifies for any type of regional bonus. The maximum level of support provided in each jurisdiction for this case is noted in Table 35 below.

Table 35. Provincial Tax Credits and Comparable Programs – Production (assuming a $2M production with $.8M eligible labour costs)

Province	Level of Support	Ranking
Alberta	$400K	1
New Brunswick	$320K	2
Newfoundland and Labrador	$320K	2
Saskatchewan	$280K	4
Manitoba	$280K	4
Nova Scotia	$240K	6
Prince Edward Island	$240K	6
British Columbia (FIBC Program)	$160K	8
Ontario (OFTTC)*	$160K	8
Québec (QPSTC)	$88K	10

In this example, Alberta provides the largest level of support mainly because it provides eligible corporations 20% of *total* production expenditures rather than just on labour costs like other jurisdictions. Alberta has advantage on smaller productions, but as the program is capped, larger productions do better in other jurisdictions. New Brunswick and Newfoundland each offer a 40% tax credit for eligible labour expenditures but have caps on the total amount that can be accessed which limit larger productions. Saskatchewan ranks fourth along side the Province of Manitoba, offering very similar tax credit programs of 35% eligible labour with no caps on the total amount that can be accessed per production.

Summary of Provincial Tax Credit Programs

NOTE: THE DATA FOR THIS COMPARISON WAS COLLECTED IN MAY 2004. IN THE TIME BETWEEN THE COLLECTION OF THE DATA AND THE PUBLICATION OF THIS REPORT, A NUMBER OF JURISDICTIONS HAVE ENHANCED THEIR PROGRAMS.

British Columbia

Tax Credit: BC Film offers a Production Services Tax Credit (PSTC) Program for foreign producers as well as the Film Incentive BC (FIBC) for domestic productions that are BC owned, controlled, and have qualifying levels of Canadian content. The PSTC offers three specific refundable corporate income tax credits: a basic PSTC of 11% of eligible BC labour costs; a digital animation/visual effects credit of 15%; and a regional bonus of 6%. The FIBC offers B.C. producers four specific refundable corporate income tax credits: a basic tax credit of 20% of eligible B.C. labour costs; a digital/animation credit of 15%; a regional bonus of 12.5%; and a training credit equal to the lesser of 3% of eligible B.C. labour costs or 30% of trainee salaries. Eligible labour costs are capped at 48% of total production.

Other Incentives: BC Film also offers an equity investment program for feature films, a non-recoupable development fund program, and provides financial support to producers, writers and directors through marketing and skills assistance programs.

Alberta

Tax Credit: Alberta Film administers the Alberta Film Development Program (AFDP) on behalf of the Alberta Foundation for the Arts. While the Province of Alberta does not have a tax credit program for film and television producers, AFDP provides local producers, or co-productions including such producers, with a grant equal to 20% of Alberta production expenditures up to a maximum of $750,000 or up to $1.5 M for a full dramatic series. As a grant program, there are a limited number of projects that can be supported each year, which limits the growth potential of the Alberta industry.

Other Incentives: The Alberta Foundation for the Arts offers other support programs for film/video projects, screenwriters and organizations providing they support the cultural industries.

Saskatchewan

Tax Credit: The Saskatchewan Film Employment Tax Credit (SFETC) is administered by SaskFILM through an agreement with the Department of Culture, Youth and Recreation. The SFETC program provides Saskatchewan producers, or co-productions including such producers, a refundable tax credit equal to 35% of eligible labour costs incurred in the making of an eligible film, up to a maximum of 17.5% of a project's total cost. In addition, the program allows for a bonus credit equal to 5% of a project's total cost if production is based more than 40 kilometers outside both Regina and Saskatoon.

Where a non-resident is hired due to lack of available, willing and/or qualified Saskatchewan personnel, his/her salary may be deemed an eligible labour expenditure, provided that the deemed person acts as a mentor for a Saskatchewan resident trainee on the same production. While some other provinces have deeming provisions for below-the-line crew positions, Saskatchewan has the unique advantage of allowing deeming of both above and below-the-line personnel. For example, projects shot in Saskatchewan may have out-of-province producers, directors, writers and actors deemed as Saskatchewan residents and may include their salaries as eligible costs for the tax credit.

Additional basic features of this program include:

1. Labour costs are capped at 50% of the total production budget (unlike in BC, where labour is capped at 48% of total production costs for the FIBC basic, regional and training credits).

2. At least 25% of total salaries must be paid to eligible employees.

3. Deeming allowed for above and below the line positions to a maximum of $150,000 per position.

4. There are no Canadian or Saskatchewan content requirements.

5. There is no cap on total production costs.

6. A tax credit certificate is issued upon completion of the project.

Using the same example as before (a $5M total production budget that includes $2.5M in labour expenditures), and assuming the following production in question qualifies for the 5% rural bonus, the Saskatchewan SFETC would be calculated as follows:

Table 36. Saskatchewan SFETC with Rural Bonus	
Total Budget	$5M
Eligible Labour (up to a maximum 50 % of total production costs)	$2.5M
Tax credit	$2.5M * 35 % = $875K
Rural Bonus*	5% * $5M = $250K
Total Saskatchewan SFETC	**$875K + $250K = $1.125M**

** To calculate the rural bonus, it is assumed here that all expenditures were made in Saskatchewan. Assuming, say, $500K of the total $5M was spent outside the province, $500K would be subtracted from the total $5M before calculating the rural bonus.*

Other Incentives: SaskFILM offers a number of programs aimed at developing both the industry and individual projects. SaskFILM has a small equity investment fund and offers development loans, assistance for scriptwriters in the preparation of first drafts (normally used to secure interest from a producer or production company) and financial assistance for travel to help with the marketing of particular projects.

Manitoba

Tax Credit: The Manitoba Film and Video Production Tax Credit (MFVPTC) is a refundable corporate income tax credit equal to 35% of approved Manitoba labour expenses available to qualifying producers of eligible Manitoba productions and co-productions. There is no cap on total labour costs (unlike Saskatchewan and BC, where eligible labour expenditures are capped at 50% and 48% of total production costs, respectively), however, it is required that this amount conform to industry standards and be reasonable under the circumstances. Where a non-resident is hired due to lack of available, willing and/or qualified Manitoba crew, his/her salary may be deemed an eligible labour expenditure, provided that at least one Manitoba resident receives training within the same department. Deemed salaries are capped at 20% of total eligible Manitoba salaries if at least two Manitoba residents are trained per non-resident or 10% if one Manitoba resident is trained per non-resident. Like Saskatchewan, there are no Canada or Manitoba content requirements. As of April 2004, Manitoba announced a regional bonus of 5% of eligible labour, plus a frequent filming bonus of another 5% of eligible labour. This could bring the total Manitoba credit to 45% for qualifying productions. In addition, Manitoba adjusted the eligibility rules to allow broadcasters to apply directly to the program. The Manitoba program already allowed foreign producers to access the program directly. By comparison, Saskatchewan's tax credit program can only be accessed by Saskatchewan producers.

Other Incentives: Manitoba Film and Sound provides support to film and television projects via equity investments, loans and other types of financial assistance to further the development of the Manitoba film and television industry. Manitoba Film and Sound has considerably more funding than Saskatchewan to support all of these programs.

The Government of Manitoba has also allocated $300K annually for a minimum of three years (beginning in 2002-2003) to Manitoba Film and Sound to administer the New Media Equity Investment Fund. The objectives of the Fund are to provide recoupable financial support to Manitoba companies for the development, production and marketing of high quality and original, interactive media products.

Ontario

Tax Credit: The Ontario Media Development Corporation (OMDC) offers the Ontario Film and Television Tax Credit (OFTTC) program. The OFTTC offers Canadian production companies a refundable tax credit equal to 20% of eligible labour expenditures incurred in a film or video production. First-time producers may qualify for a 30% tax credit. In addition, the program allows for a bonus credit equal to 10% of eligible labour expenditures if production occurs (at least for the most part) outside the Greater Toronto area. There appears to be no cap on total labour costs or on the total OPSTC that may be claimed. In addition, there appears to be no provision allowing non-resident labour to be deemed eligible for the purposes of calculating the tax credit amount.

Using the same example as before (a $5M total production budget that includes $2.5M in eligible labour expenditures), and assuming the production in question qualifies for the 10% rural bonus, the OFTTC would amount to $750K (30% of $2.5M).

Ontario Production Services Tax Credit (OPSTC)

The OPSTC program provides Canadian or foreign-controlled production companies a refundable tax credit equal to 11% of eligible labour expenditures incurred in the making of eligible film or television productions. There appears to be no cap on total labour costs or on the total OPSTC that may be claimed. In addition, the program allows for a bonus credit equal to 3% of eligible labour expenditures if production occurs (at least for the most part) outside the Greater Toronto area.

To be eligible, a qualifying corporation must be a Canadian or foreign-owned production company conducting business at a permanent establishment in Ontario. The corporation must own the copyright in the production, or provide services to the copyright owner.

It appears as though a qualifying corporation may claim OPSTC in addition to OFTTC, however, in such a case the level of support received via one tax credit program would likely be reduced by an amount based on what had been received through the other.

Using the same example as before ($5M total production budget that includes $2.5M in eligible labour expenditures) and assuming that the production in question qualifies for the 3% bonus, OPSTC would amount to $350K (14% of $2.5M).

Data in the following table represent total production volumes (for years 1998-1999 to 2002-2003) for projects that received support and/or tax credits from OMDC.

Additional Support

The Ontario Computer Animation and Special Effect Tax Credit (OCASE) provides Canadian or foreign-controlled corporations a refundable tax credit equal to 20% of Ontario labour expenditures incurred as a result of computer animation and special effects activities. Qualifying corporations include animation and visual effects houses, post-production houses, and film and television production companies.

Again, it appears as though a qualifying corporation may claim the OCASE in addition to the other tax credits noted above, however, in such a case the level of support received via one tax credit program would likely be reduced by an amount based on what had been received through the others.

Other Incentives: In addition to the tax, credit programs noted below, Ontario Media Development Corporation (OMDC) provides financial support to local film and television producers/entrepreneurs for activities relating to marketing and development.

Québec

Tax Credit: The Québec Film and Television Office (QFTO) is commissioned to promote Québec as a filming location and production centre with foreign producers, and to work with local industry representatives to reinforce the film service infrastructure in the province. The QFTO offers the Québec Film and Television Production Tax Credit (QFPTC) that equals 29.17% (39.98% in the case of expenditures related to computer animation and special effects) of eligible labour costs incurred in the making of a film or television program. Eligible productions must meet certain Québec content requirements (unlike QPSTC, as noted below). In addition, labour costs are capped at 50% of a producer's total budget. In the case of a treaty co-production or inter-provincial co-production, the tax credit is calculated on the Quebec-based producer's portion of the budget.

For French-language feature films and documentaries, the tax credit can equal 39.38% of eligible labour costs up to a maximum of 19.69% of a producer's total budget.

A tax credit equal to 48.56% of eligible labour expenditures can be obtained provided such costs were incurred outside the Montreal region. In such case, the tax credit may reach 24.28% of eligible production costs.

The Québec Production Services Tax Credit (QPSTC) equals 11% (31% in the case of expenditures related to eligible computer animation and special effects activities) of eligible labour costs incurred by an eligible corporation in the making of a film or television program in Quebec. There appears to be no content requirements (unlike QFPTC, as noted above).

Using the same example as before (a $5M production budget that includes $2.5M in eligible labour expenditures) and assuming that the production does not qualify for the 31% bonus, QPSTC could amount to $275K (11% of $2.5M).

Other Incentives: Along with offering the most culturally driven tax credit program in the country, Quebec offers unparalleled support to investments in cultural industries and the arts.

The Société de development des enterprises culturelles-Quebec (SODEC) has $30M available annually through a series of investment and grant programs including a $3.9M script development fund, $20M production fund, and $3M to support exhibitors, festivals and other Quebec film events, distribution of foreign films in theaters with limited exhibition, corporate loans and export assistance. In addition, $1.6M in support is available through SODEC's Young Creators program (ages 18 to 35).

The Fonds d'investment de la culture et des communications is a $30M venture-capital fund that invests in certified Quebec companies in the cultural industries. Maximum investment is $2M and projects from television and multimedia production and distribution companies are eligible.

New Brunswick

Tax Credit: The Province of New Brunswick provides a refundable tax credit equal to 40% of eligible salaries paid to New Brunswick residents in the making of an eligible production. Eligible labour costs are capped at 50% of the total production budget.

Where a non-resident is hired due to lack of available, willing and/or qualified New Brunswick crew, his/her salary may be deemed an eligible labour expenditure for the purposes of calculating the Film Labour Tax Credit.

Using the same example as before (a $5M production budget that includes $2.5M in eligible labour expenditures), New Brunswick's film tax credit could amount to $1M (40% of $2.5M).

Other Incentives: New Brunswick Film (NBF) is the agency responsible for promoting and supporting the development of New Brunswick's film and television production industry. In addition to the tax credit program, New Brunswick Film provides financial assistance for the training and professional development of local residents employed in the film and television industry.

The Development Loan Program provides non-interest bearing loans to eligible film production companies to assist in project development. Such loans are meant to complement other resources available to New Brunswick based film production companies. Loan amounts may equal 40% of the approved development budget, up to a maximum of $35K for feature films, made-for-TV movies or TV series and up to a maximum of $20K for other eligible projects. New Brunswick Film's Development Loan participation in any one production company or associated production companies, excluding equity investment, does not exceed $100K at any one time.

New Brunswick Film will also make equity investments in projects where the potential of recoupment and profit is high, and where the potential for significant benefit to the province's film industry exists. However, participation in any one production is capped at 25% of the total production budget up to a maximum of $400K for specific genres.

Newfoundland and Labrador

Tax Credit: The Film and Video Tax Credit (FVTC) program is administered by the Newfoundland and Labrador Film Development Corporation (NLFDC) for the Newfoundland and Labrador Department of Finance. The FVTC provides eligible producers a refundable tax credit equal to 40% of eligible labour costs incurred in the making of an eligible film, up to a maximum of 25% of a project's total cost. The tax credit is capped at $1M per eligible project per year and $2M per corporation per year.

Where a non-resident is hired due to lack of available, willing and/or qualified crew, his/her salary may be deemed an eligible labour expenditure for the purposes of calculating FVTC.

Using the same example as before (a $5M production budget that includes $2.5M in eligible labour expenditures), FVTC could amount to $1M (40% of $2.5M).

Other Incentives: The NLFDC is the agency responsible for supporting and promoting the local film and television industry. In addition to the film tax credit, the NLFDC administers and/or provides the following funding programs.

The Equity Investment Program (EIP) provides equity investments in eligible film and television productions equal to 20% of a project's overall cost, up to a maximum $250K.

The Development Program provides loans of up to $35K to qualified applicants to assist with the development of film and television programs. Eligible costs include those associated with editing, scriptwriting, research and preparation of a marketing plan. The total amount of the loan is capped at 33% of eligible costs.

Nova Scotia

Tax Credit: The Nova Scotia Film Industry Tax Credit Program (administered by Department of Finance) provides eligible producers a refundable tax credit equal to 30% of eligible labour costs incurred in the making of an eligible film, up to a maximum of 15% of a project's total budget cost. For those productions taking place more than 30 kilometres from Halifax City Hall, the tax credit is enhanced to 35% of eligible labour costs or 17.5% of a project's total budget (whichever is less).

There is no limit on the size of the production budget, no corporate cap and no Canadian content or copyright ownership requirements associated with this tax credit. Furthermore, the regional bonus is prorated based on the number of days principal photography is shot outside the Halifax Region. There appears to be no deeming provision that would allow producers to include non-resident labour in with eligible labour costs for the purposes of calculating the tax credit amount.

Using the same example as before (a $5M production budget that includes $2.5M in eligible labour expenditures) and assuming the production in question qualifies for the regional bonus, the Film Industry Tax Credit could amount to $875M (35% of $2.5M).

Other Incentives: The Nova Scotia Film Development Corporation (NSFDC) provides financial support to local producers to participate in activities or events that provide access to industry stakeholders (i.e. broadcasters, distributors, etc.). Activities and events must be held within the province and can include festivals and screening events.

NSFDC also invests in training initiatives designed to develop local filmmakers and to foster skills development at all levels to ensure Nova Scotia's labour force remains competitive.

NSFDC administers and/or directly funds other programs designed to support the growth and development of Nova Scotia's film and television industry. Such programs are noted below.

NSFDC provides loans to qualified residents or companies to support the process of development. Eligible expenditures may include those associated with research, writing, market analysis, etc. Eligible projects in the development stage can qualify for a loan of up to $15K.

The Equity Investment Program assists qualified production companies in the financing of film and television projects. Eligible projects may qualify for up to $250K.

NSFDC will also invest in the production of interactive media including, but not limited to, CD-ROM, DVD or Internet-delivered formats that are educational, entertaining or informational in nature. These projects must be related to television or feature film projects in which the Corporation has or is considering an Equity Investment. Eligible projects can qualify for up to $30K.

Prince Edward Island

Tax Credit: Technology Prince Edward Island Inc. is a Provincial Crown Corporation established to advance the growth and development of Prince Edward Island's technology sector. To encourage development, training and hiring of Prince Edward Island (PEI) production personnel, Technology PEI provides the Film and Television Labour Rebate (FTLR) Program. The FTLR offers a direct refund to producers equal to 30% of eligible PEI production personnel and deemed labour expenditures up to a maximum of 15% of eligible total production costs.

Using the same example as before (a $5M production budget that includes $2.5M in eligible labour expenditures), the FTLR could amount to $750M (30% of $2.5M).

Other Incentives: In addition to the labour rebate program, Technology P.E.I. offers a number of support programs specifically for the film and television industry, as noted below.

Technology PEI provides equity investments in qualifying projects that create significant economic benefit to the province. The program provides up to 20% of eligible budget costs and is capped at $200K.

Where a broadcaster has already made a financial commitment to the development process, Technology PEI will provide non-interest bearing loans to qualified applicants for research costs, writing and editing fees, travel related expenses, etc. Technology PEI will provide up to one-third of the proposed development budget, to a maximum of $25K.

A Short Film Program gives new PEI filmmakers an opportunity to produce short films that may later be used as a showcase for their work. Qualified applicants may receive a grant of up to 25% of the total cost of producing a short film (under 30 minutes in duration). The grant is capped at $10K.

Through the Marketing Support Program, Technology PEI will provide assistance to businesses for market investigation, advertising and promotional activities. Up to 40% of total eligible marketing costs can be obtained by filmmakers through this program.

The Professional Development Program is designed to assist PEI filmmakers promote the career development of employees through participation in advanced industry based training courses and attendance at appropriate conferences and seminars.

Assistance takes the form of a non-repayable contribution towards the eligible costs of employee participation in industry based training courses, seminars and conferences. Up to 40% of eligible costs can be obtained by filmmakers through this program. The grant is capped at $25K per company per year.